



Thank you for becoming a valued Merchant for PaymentWorld, LLC (“Payment World”). This Merchant Terms and Conditions Agreement vPW1505 (“Terms and Conditions”) provides for the terms and conditions that apply to the acceptance of Visa® MasterCard® and Discover® Network Credit Card and Non-PIN Debit Card payments. By allowing Payment World to begin processing Your credit card transactions, You acknowledge that You have carefully read, considered and agree to this Terms and Conditions.

Table of Contents

Glossary.....

1. Effective Date, Acceptance, and Duration
2. Compliance and Card Guidelines
3. General Card Descriptions and Procedures
4. Submitting Transactions
5. Protecting Cardholder Information
6. Authorization Requirements
7. Factoring Prohibited
8. Your Settlement Account
9. Debits To Your Settlement Account
10. Refund Policies and Procedures
11. Maintaining Sales and Credit Drafts
12. Changes In Your Information
13. Exclusivity
14. On-Going Processing
15. Charges for Services
16. Reimbursements to Payment World
17. Merchant Representations and Warranties
18. Disclaimers and Limits to Liability
19. Assignments and Transfers
20. Termination
21. Event of Default
22. Reserve Accounts
23. Financial Information
24. Indemnification.
25. Non-Bank Card Transactions
26. Requirements for Card Transactions When PIN Is Entered By The Cardholder
27. EBT Transaction
28. Wireless Transactions.
29. Automated Clearing House
30. Fees
31. Health Care Transactions
32. Electronic Commerce Requirements
33. General Provisions.

Glossary

Acquirer: Banks in the case of MasterCard, Visa and certain debit transactions or network acquirers in the case of Discover Network transactions that acquire Card sale transactions from merchants such as You.

Additional Services: Additional Services include all services related to JCB Card, PIN Debit Card, and Electronic Benefits Transfer Transactions, and Transactions involving Cards from other Non-Bank Card Associations such as Voyager Fleet Systems, Inc., Wright Express Corporation and Wright Express Financial Services Corporation. Your Merchant Processing Application will initially indicate the types of payments and services You have elected to accept.

Address Verification: A service provided through which the merchant verifies the Cardholder's address, in whole or in part. Primarily used by Mail/Telephone/Internet order merchants, Address verification is intended to deter fraudulent transactions. However, it is not a guarantee that a transaction is valid.

Agreement: The agreement(s) between You, Payment World and Bank, which is comprised of the Application, this Terms and Conditions and the Schedules thereto and documents incorporated therein, each as may be amended in writing from time to time.

Application: See Merchant Processing Application.

Association: Any entity formed to administer and promote Cards, including without limitation MasterCard International, Incorporated ("MasterCard"), Visa U.S.A., Inc. and Visa International ("Visa"), Discover Financial Services LLC ("Discover Network") and any applicable debit networks.

Association Rules: The rules, regulations, releases, interpretations and other requirements (whether contractual or otherwise) imposed or adopted by any Association such as Visa or MasterCard.

Authorization: Approval by, or on behalf of, the Card Issuer to validate a transaction for a merchant or another affiliate bank. An Authorization indicates only the availability of the Cardholder's Credit Limit at the time the Authorization is requested.

Authorization Approval Code: A number issued to a participating merchant by the Authorization Center, which confirms the Authorization for a sale or service.

Bank: The bank identified on the Application signed by You.

Bankruptcy Code: Title 11 of the United States Code, as amended from time to time.

Batch: A single Submission to Payment World of a group of transactions (sales and Credits) for settlement. A Batch usually represents a day's worth of transactions.

Business Day: A day (other than Saturday or Sunday) on which Bank is open for business.

Card: See either Credit Card or Debit Card.

Card Issuer: The Bank or Association that issues a Card to an individual.

Card Not Present Sale/Transaction: A transaction that occurs when the Card is not present at the point-of-sale, including Internet, mail-order and telephone-order Card sales.

Card Validation Codes: A three-digit value printed in the signature panel of most Cards and a four-digit value printed on the front of an American Express Card. Visa's Card Validation Code is known as CVV2; MasterCard's Card Validation Code is known as CVC2; Discover Network's Card Validation Code is known as a CID. Card Validation Codes are used to deter fraudulent use of an account number in a non-face-to-face environment (e.g., mail orders, telephone orders and Internet orders).

Card Verification Value (CVV) / Card Validation Code (CVC): A unique value encoded on the Magnetic Stripe of a Card used to validate Card information during Authorization.

Cardholder: Means the individual whose name is embossed on a Card (or Debit Card, as applicable) and any authorized user of such Card.

Cash Benefits: An EBT account maintained by an Issuer that represents pre-funded or day-of-draw benefits, or both, administered by one or more Government entities, and for which the Issuer has agreed to provide access under the EBT program. Multiple benefits may be combined in a single cash benefit account.

Cash Over Transaction: Dispensing of cash by a merchant in connection with a Card sale, other than a PIN Debit Card transaction, for the purchase of goods or services.

Chargeback: The procedure by which a Sales Draft or other indicia of a Card transaction (or disputed portion) is returned to Bank, the Acquirer or the Issuer. Client is responsible for reimbursing Payment World for all Chargebacks.

Client: The party identified as "Client" on the Application also referred to herein as "Subscriber," "You" or "Your".

Credit: A refund or price adjustment given for a previous purchase transaction.

Credit Card: A valid Card authorizing the Cardholder to buy goods or services on credit and bearing the service mark of Visa, MasterCard or Discover Network and, to the extent the Schedules so provide, a valid Card authorizing the Cardholder to buy goods or services on credit and issued by any other Association specified on such Schedules.

Credit Draft: A document evidencing the return of merchandise by a Cardholder to a Client, or other refund made by the Client to the Cardholder.

Credit Limit: The credit line set by the Card Issuer for the Cardholder's account.

Customer Activated Terminal (CAT): A magnetic stripe terminal or chip-reading device (such as an automatic dispensing machine, Limited Amount Terminal, or Self-Service Terminal) that is not an ATM.

DDA: Your Direct Deposit Account at Your Financial Institution that is also Your Settlement Account.

Debit Card: See either PIN Debit Card or Non-PIN Debit Card.

Dial-Up Terminal: An Authorization device that communicates with an Authorization Center for validation of transactions.

Discount Rate: An amount charged a merchant for processing its qualifying daily Credit Card transactions. Transactions that fail to meet applicable interchange requirements will be charged additional amounts as set forth in Section 18.1.

Early Termination Fee (ETF): The fee that You may be charged for terminating the Agreement before its termination date, or charged as a result of Your breach of the Agreement that gives Payment World the right to terminate the Agreement.

Electronic Benefit Transfer (EBT): An electronic system that allows a government benefit recipient to authorize the transfer of their benefits from a Federal, State or local government account to a merchant account to pay for products and services received.

Electronic Draft Capture (EDC): A process that allows a merchant's Dial-Up Terminal to receive Authorization and capture transactions, and electronically transmit them to a Card Processor. This eliminates the need to submit paper for processing.

Factoring: The submission of Authorization requests and/or Sales Drafts by a merchant for Card sales or Cash Advances transacted by any other business other than You.

Gross: When referred to in connection with transaction amounts or fees, refers to the total amount of Card sales, without set-off for any refunds or Credits.

Imprinter: A manual or electric machine used to physically imprint the merchant's name and ID number as well as the Cardholder's name and Card number on Sales Drafts.

Issuer: The Bank or Association which has issued a Card to an individual. MasterCard and Visa only issue Cards through Banks ("Issuing Banks") while Discover Network may issue Cards directly or issue Cards through an Issuing Bank.

Limited Amount Terminal: A Customer Activated Terminal that has data capture only capability, and accepts payment for items such as parking garage fees, road tolls, motion picture theater entrance, or magnetic-stripe telephones.

Magnetic Stripe: A stripe of magnetic information affixed to the back of a plastic Credit or Debit Card. The Magnetic Stripe contains essential Cardholder and account information.

Media: The documentation of monetary transactions (i.e., Sales Drafts, Credit Drafts, computer printouts, etc.)

Merchant Identification Card: A plastic embossed Card supplied to each merchant to be used for imprinting information to be submitted with each Batch of paper Sales Drafts. Embossed data includes Merchant Account Number, name and sometimes merchant ID code and terminal number.

Merchant Account Number (Merchant Number): A number that numerically identifies each merchant, outlet, or line of business to Payment World for accounting and billing purposes.

Merchant Processing Application: The Application executed by Client and Payment World, which is one of the documents comprising the Agreement.

Non-PIN Debit Card: A Debit Card with either a Visa, MasterCard or Discover Network mark that is tied to a Cardholder's bank account or a prepaid account and which is processed without the use of a PIN.

Non-Qualified Interchange Fee: The difference between the interchange fee associated with the Anticipated Interchange Level and the interchange fee associated with the more costly interchange level at which the transaction actually processed.

Non-Qualified Surcharge: A surcharge applied to any transaction that fails to qualify for the Anticipated Interchange Level and is therefore downgraded to a more costly interchange level. The Non-Qualified Surcharge (the amount of which is set forth on the Service Fee Schedule) is in addition to the Non-Qualified Interchange Fee, which is also Your responsibility (see above and Section 18.1).

PAN Truncation: A procedure by which a Cardholder's copy of a Sales or Credit Draft will only reflect the last four digits of the Card account number.

PIN: A Personal Identification Number entered by the Cardholder to submit a PIN Debit Card transaction.

PIN Debit Card: A Debit Card used at a merchant location by means of a Cardholder-entered PIN in the merchant PIN Pad. PIN Debit Cards bear the marks of ATM networks (such as NYCE, Star).

PIN Debit Sponsor Banks: The PIN Debit Sponsor Bank(s) identified on the Application signed by You that is/are the sponsoring or acquiring bank(s) for certain PIN Debit networks.

Point of Sale (POS) Terminal: A device placed in a merchant location which is connected to Payment World's system via telephone lines and is designed to authorize, record and transmit settlement data by electronic means for all sales transactions with Payment World.

Recurring Payment Indicator: A value used to identify transactions for which a consumer provides permission to a merchant to bill the consumer's Card account at either a predetermined interval or as agreed by the Cardholder for recurring goods or services.

Referral: This message received from an Issuer when an attempt for Authorization requires a call to the Voice Authorization Center or Voice Response Unit (VRU).

Reserve Account: A fund established and managed by Payment World to protect against actual or contingent liability arising from Chargebacks, adjustments, fees and other charges due to or incurred by Payment World.

Resubmission: A transaction that the merchant originally processed as a Store and Forward transaction but received a soft denial from the respective debit network or Association. The resubmission transaction allows the merchant to attempt to obtain an approval for the soft denial, in which case You assume the risk that the transaction fails.

Retrieval Request / Transaction Documentation Request: A request for documentation related to a Card transaction such as a copy of a Sales Draft or other transaction source documents.

Sales Draft: Evidence of a purchase of goods or services by a Cardholder from Client using a Card, regardless of whether the form of such evidence is in paper or electronic form or otherwise, all of which must conform to Association Rules and applicable law.

Sales/Credit Summary: The identifying form used by a paper Submission merchant to indicate a Batch of Sales Drafts and Credit Drafts (usually one day's work). Not a Batch header, which is used by electronic merchants.

Schedules: The attachments, addenda and other documents, including revisions thereto, which may be incorporated into and made part of this Agreement.

Self-Service Terminal: A Customer Activated Terminal that accepts payment of goods or services such as prepaid cards or video rental, has electronic capability, and does not accept PINs.

Services: The activities undertaken by Payment World and Bank to authorize, process and settle all United States Dollar denominated Visa and MasterCard transactions undertaken by Cardholders at Client's location(s) in the United States, and all other activities necessary for Payment World to perform the functions required by this Agreement for Discover Network and all other Cards covered by this Agreement.

Servicers: For Visa and MasterCard Credit and Non-PIN Debit Card transactions, Bank and Payment World collectively. For all other Card transactions, Payment World. The words "Us" and "We" refer to Servicers.

Settlement Account: An account at a financial institution designated by Client as the account to be debited and credited by Payment World or Bank for Card transactions, fees, Chargebacks and other amounts due under the Agreement or in connection with the Agreement.

Split Dial: A process which allows the Authorization terminal to dial directly to different Card processors (e.g., Amex) for Authorization. In this instance, the merchant cannot be both EDC and Split Dial. Split Dial is also utilized for Check Guarantee companies.

Split Dial / Capture: A process which allows the Authorization terminal to dial directly to different Card processors (e.g., Amex) for Authorization and Electronic Draft Capture.

Store and Forward: A transaction that has been authorized by a merchant when the merchant cannot obtain an Authorization while the customer is present, typically due to a communications failure. The merchant will store the transaction electronically in their host system and retransmit the transaction when communications have been restored.

Submission: The process of sending Batch deposits to Payment World for processing. This may be done electronically or by mail.

Summary Adjustment: An adjustment to Your Submission and/or Settlement Accounts in order to correct errors.

Telecommunication Card Sale: Individual local or long-distance telephone calls, for which the telephone service provider is paid directly by use of a Card. These do not include, however, calls paid for with pre-paid telephone service cards. Telecommunication Card Sales are considered Card Not Present Sales.

Transaction Fees: Service costs charged to a merchant on a per transaction basis.

Us, We: See Servicers.

Voice Authorization Center: A department that electronically communicates a merchant's request for Authorization on Credit Card transactions to the Cardholder's bank and transmits such Authorization to the merchant via electronic equipment or by voice Authorization.

You or Your: The Merchant (Client)

1. Effective Date, Acceptance, and Duration

1.1. Effective Date. This Agreement is among You, Payment World and Bank, and shall become effective upon the date this Agreement is approved by Bank and Payment World's Credit Department, which approval will be confirmed to You in writing.

1.2. Acceptance. Irrespective of Payment World's signature of acceptance on the Merchant Processing Application, this Agreement is deemed accepted by Payment World upon the first transaction processed by Payment World. Your submission of any Card transactions for processing by Payment World is acknowledgment that You have carefully read these Terms and Conditions and agree to all the terms of the Agreement.

1.3. Initial Term. The initial term of the Agreement shall commence and shall continue in force for three years after the effective date. The Agreement shall automatically renew for a one-year term until either party terminates the Agreement upon proper notice as provided by this Terms and Conditions.

2. Compliance and Card Guidelines

2.1. Notice of Guidelines. MasterCard, Visa and Discover Network have established guidelines or Association Rules, merchant monitoring programs and reports to track merchant activity such as, but not limited to excessive Credits and Chargebacks, and increased deposit activity.

2.2. Compliance. You agree to follow all requirements of the Agreement in connection with each Card transaction and to comply with all applicable Association Rules.

2.3. Amendments. From time to time, We may amend the Terms and Conditions, by providing You with at least 20 days' prior written notice, and those provisions will be deemed incorporated into the Agreement. However, for changes in the Association Rules or for security reasons, certain changes in Card procedures may become effective on shorter notice.

2.4. Non-Compliance. In the event You exceed the guidelines or submit suspicious transactions as identified by an Association or any related program or reports, You may be subject to: (i) operating procedure requirement modifications; (ii) incremental Chargebacks and/or fees; (iii) settlement delay or withholding; (iv) termination of the Agreement; or (v) audit and imposition of fines.

3. General Card Descriptions and Procedures

3.1. Card Acceptance. At the point of sale, You must carefully examine the Card presented and determine whether it is a valid Card. The name of the Card (e.g., Visa, MasterCard or Discover Network) should appear in bold letters on the Card. For all MasterCard and Visa Cards and for some Discover Network Cards, the Card Issuer (e.g., XYZ Bank, etc.) should also appear in bold letters on the Card. The following is a description of the authorized Visa, MasterCard and Discover Network Card designs:

3.1.1. Visa: Visa Cards have the Visa symbol on the right-hand side of the Card. Above the Visa symbol is the 3-dimensional hologram of the Visa Dove design. The expiration date must be followed by one space and may contain the symbol "V." Visa Cards contain a 16-digit account number embossed across the middle of the Cards and the first digit is always a four (4). In addition, Visa Cards have the first four digits of the account number printed directly below the embossed number. You must always check these numbers carefully to ensure that they are the same. Beginning January 2006, Visa has a new Card design, which differs significantly from the previous description. You are required to familiarize Yourself with the new design by consulting the document entitled "Card Acceptance and Chargeback Management Guidelines for Visa Merchants" (VRM 08. 12.16). You may download the document free of charge from Visa's website at <http://www.visa.com/merchant> or order a hardcopy to be mailed to You for a nominal charge by telephoning Visa Fulfillment at 800-VISA-311. Both the old and new Visa Card designs will be circulating concurrently in the marketplace through the year 2010. Only Visa Cards fitting the old or new descriptions may be accepted. Beginning May 2008, Visa issued a new card design for un-embossed Visa cards. Unlike embossed Visa cards with raised numbers, letters and symbols, the un-embossed card has a smooth, flat surface. Because of the un-embossed cards flat surface, it cannot be used for transactions that require a card imprint. Un-embossed cards can only be used by merchants who process with an electronic Point of Sale Terminal. As a result, the bottom of the card bears the following note, "Electronic Use Only."

3.1.2. MasterCard: MasterCard Cards are issued under the following names: MasterCard, EuroCard, Access, Union, Million and Diamond. The MasterCard symbol appears on the front or back of the Card. MasterCard and the Globe designs appear in a 3-dimensional hologram above the symbol. In addition, the words Classic, Preferred, Gold or Business may appear. MasterCard account numbers are sixteen (16) digits, and the first digit is always a five (5). The first four digits of the account must be printed directly below the embossed number. Only MasterCard Cards fitting this description may be accepted. Pursuant to an alliance with MasterCard, Diners Club Cards issued in the United States and Canada are being re-issued with a sixteen (16) digit account number the first two digits of which are now fifty-five (55) and with the MasterCard mark and hologram on the front of the Diners Club Card. These Diners Club Cards shall be accepted and processed in the same manner as MasterCard transactions. Diners Club International Cards that are issued outside the U.S. and Canada may be re-issued with the MasterCard mark on the back of the Card. These Diners Club Cards will have account numbers that are fourteen (14) digits, the first two digits or which are thirty-six (36). When these Diners Club Cards are used within the United States, Canada and other designated areas, they will be processed as MasterCard transactions. Beginning January 2006, MasterCard has a new Card design significantly different from the previous description. You are required to familiarize Yourself with the new design by consulting a document "MasterCard Card Identification Features." You may download the document free of charge from MasterCard's website at <http://www.mastercardmerchant.com>. Both the old and new MasterCard Card designs will be circulating concurrently in the marketplace through the year 2010. Only MasterCard Cards fitting the old or new descriptions may be accepted.

3.1.3. Discover Network: All valid standard rectangular plastic Cards bearing the Discover Network Acceptance Mark or the Discover/NOVUS Acceptance Mark, as indicated below, include the following common characteristics and distinctive features:

Card Numbers comprising at least 16 digits are displayed on the front of the Card; Card Numbers are clear and uniform in size and spacing within groupings; expiration date, if present, appears in mm/yy format and indicates the last month in which the Card is valid.

Discover Cards manufactured before October 3, 2008, display the Discover Network three-dimensional hologram, bearing a distinct circular shape and images of a globe pierced by an arrow, water, and stars on a repetitive pattern background (the "Discover Network Hologram") on the front of the Card. The Discover Network Hologram reflects light and appears to move as the Card is rotated. All Cards display a magnetic stripe on the reverse side of the Card.

Discover Cards manufactured on or after October 3, 2008 feature a three-dimensional holographic design that is incorporated into the magnetic stripe. A series of distinct circular shapes will be visible across the length of the magnetic stripe, with blue glows between each shape. When the Card is rotated, the holographic design will reflect light and there will be apparent movement and color switching within the circular shape.

Discover Cards displaying either the Discover Network Hologram or the holographic magnetic stripe are valid after the effective dates indicated above, with the Discover Network Hologram eventually replaced by the holographic magnetic stripe for new Cards. Although both the Discover Network Hologram and the holographic magnetic stripe will each appear on Cards, valid Cards will not display both designs.

Depending on the issuance date of the Card, the word "DISCOVER" or "DISCOVER NETWORK" will appear in ultraviolet ink on the front of the Card when it is held under an ultraviolet light. An underprint of "void" on the signature panel becomes visible if erasure of the signature is attempted. The Card Number or the portion of the Card Number displayed on the signature panel on the back of the Card should match the number displayed on the front of the Card and appear in reverse indent printing.

CID must be printed in a separate box to the right of the signature panel on the back of the Card.

An overprint on the signature panel reads "Discover Network." On some cards, the overprint may display the name of the Card (i.e., Discover, Discover 2GO,® Discover Platinum).

A Discover Network Zip Indicator may appear on the back of a standard rectangular plastic Card indicating the Card can be used to conduct Contactless Card Transactions.

NOTE: Valid Discover Cards may not always be rectangular in shape (e.g., Discover 2GO® Cards) and certain valid Contactless Payment Devices approved by Payment World for use in accessing Card Accounts (e.g., radio frequency (RF) enabled Cards, key fobs, and Mobile Commerce Devices) and to conduct Contactless Card Transactions may not display the features described above.

Prepaid Gift Card Security Features

The following described features are found on Prepaid Gift Discover Cards; however, the placement of these features may vary: depending on the issue date of the Discover Card, the Discover Network Acceptance Mark or the Discover/NOVUS Acceptance Mark will appear on the front or back of the Discover Card; the embossed, stylized “D” appears on the front of the Discover Card; a valid expiration date is embossed on the front of the Discover Card; the front of the Discover Card may display “Temporary Card,” “Prepaid Card,” “Gift Card,” or “Electronic Use Only.”

NOTE: Prepaid Gift Cards accepted at a limited, specific list of Merchants are not required to include the Discover Network Hologram and may, but are not required to, bear the Discover Network Acceptance Mark or the Discover/NOVUS Acceptance Mark on the Card.

You are required to remain familiar with Discover Card designs and may reference the document “Discover Network Security Features.” You may download the document free of charge from Discover Network’s website at <http://www.discovernetwork.com/fraudsecurity/fraud.html>.

3.1.4. Participation in the American Express OptBlue® Program

If Merchant elects to participate in the AMERICAN EXPRESS OptBlue Program (“American Express Card Acceptance”), the following terms and conditions apply:

(a) The definition of “Association(s)” is changed to read as follows:

“Association(s)” means VISA U.S.A., Inc. (“Visa”), MasterCard International Incorporated (“MasterCard”), Discover Financial Services LLC (“Discover”) and American Express Travel Related Services Company, Inc. (“American Express”).

(b) The definition of “Card(s)” is changed to read as follows:

“Card(s)” means either a Visa, MasterCard, Discover or American Express credit card, debit card (or other similar card that requires a PIN for identification purposes), or pre-paid, stored-value or gift card.

(c) The definition of “Issuer” is changed to read as follows:

“Issuer” means American Express or a member of an Association that enters into a contractual relationship with a Cardholder for the issuance of one or more Cards

(d) Merchant authorizes Bank and/or its affiliates to submit American Express Transactions to, and receive settlement on such Transactions from, American Express on behalf of Merchant.

(e) Merchant agrees that Bank may disclose to American Express information regarding Merchant and Transactions to American Express, and that American Express may use such information: (i) to perform its responsibilities in connection with American Express Card Acceptance; (ii) to promote American Express; (iii) to perform analytics and create reports; and (iv) for any other lawful business purposes, including commercial marketing communications purposes within the parameters of American Express Card Acceptance, and important transactional or relationship communications from American Express. American Express may use the information about Merchant obtained in this Agreement at the time of setup to screen and/or monitor Merchant in connection with American Express marketing and administrative purposes. Merchant agrees it may receive messages from American Express, including important information about American Express products, services, and resources available to its business. These messages may be sent to the mailing address, phone numbers, email addresses or fax numbers of Merchant. Merchant may be contacted at its wireless telephone number and the communications sent may include autodialed short message service (SMS or “text”) messages or automated or prerecorded calls. Merchant agrees that it may be sent fax communications.

(f) Merchant may opt-out of receiving future commercial marketing communications from American Express by contacting ISO; however, Merchant may continue to receive marketing

communications while American Express updates its records to reflect this choice. Opting out of commercial marketing communications will not preclude Merchant from receiving important transactional or relationship messages from American Express.

(g) Merchant acknowledges that it may be converted from American Express Card Acceptance to a direct relationship with American Express if and when its American Express-related Transaction volumes exceed the eligibility thresholds for American Express Card Acceptance. If this occurs, upon such conversion: (i) Merchant will be bound by American Express’s then-current Card Acceptance Agreement; and (ii) American Express will set pricing and other fees payable by Merchant.

(h) Merchant will not assign to any third party any payments due to it under American Express Card Acceptance, and all indebtedness arising from Transactions will be for bona fide sales of goods and services (or both) at its business locations and free of liens, claims, and encumbrances other than ordinary sales taxes; provided, however, that Merchant may sell and assign future American Express-related Transaction receivables to Bank, its affiliated entities and/or any other cash advance funding source that partners with Bank or its affiliated entities, without consent of American Express. Notwithstanding the foregoing, Bank prohibits Merchant from selling or assigning future American Express-related Transaction receivables to any third party.

(i) Notwithstanding anything in this Agreement to the contrary, American Express shall have third-party beneficiary rights, but not obligations, to the terms of this Agreement applicable to American Express Card Acceptance to enforce such terms against Merchant.

(j) Merchant may opt out of accepting American Express at any time without directly or indirectly affecting its rights to accept other Cards.

(k) Bank and ISO have the right to terminate Merchant’s participation in American Express Card Acceptance immediately upon written notice to Merchant: (i) if Merchant breaches any of the provisions of this Section 46 or any other terms of this Agreement applicable to American Express Card Acceptance; or (ii) for cause or fraudulent or other activity, or upon American Express’s request. In the event Merchant’s participation in American Express Card Acceptance is terminated for any reason, Merchant must immediately remove all American Express branding and marks from Merchant’s website and wherever else they are displayed.

(l) Merchant’s refund policies for American Express-related Transactions must be at least as favorable as its refund policy for purchase with any other Card, and the refund policy must be disclosed to Cardholders at the time of purchase and in compliance with Applicable Law. Merchant may not bill or attempt to collect from any cardholder for any American Express-related Transaction unless a Chargeback has been exercised, Merchant has fully paid for such Chargeback, and it otherwise has the right to do so.

(m) Merchant must accept American Express as payment for goods and services (other than those goods and services prohibited by this Agreement or Applicable Law) sold, or (if applicable) for charitable contributions made at all of its business locations and websites, except as expressly permitted by state statute. Merchant is jointly and severally liable for the obligations of Merchant’s business locations and websites under this Agreement.

(n) Merchant or American Express may elect to resolve any claim against each other, or against Bank or ISO with respect to American Express-related Transactions, by individual, binding arbitration, decided by a neutral arbitrator.

(o) Merchant will comply in full with American Express’s Merchant Operating Guide (as the same may be amended from time to time).

(p) American Express has the right to modify the terms of this Section 46 and to terminate Merchant’s acceptance of American Express-related Transactions and to require an investigation of Merchant’s activities with respect to American Express-related transactions.

3.2. Effective/Expiration Dates. At the point of sale, the Card should be carefully examined for the effective (valid from) (if present) and expiration (valid thru) dates that are located on the face of the Card. The sale date must fall on or between these dates. Do not accept a Card prior to the effective date or after the expiration date.

If the Card has expired, You cannot accept it for a Card sale unless You have verified through Your Authorization Center that the Card is in good standing, otherwise, You are subject to a Chargeback and could be debited for the transaction.

3.3. Valid Signature. Check the back of the Card.

3.3.1. Signature. Make sure that the signature panel has not been disfigured or tampered with in any fashion (an altered signature panel may appear discolored, glued or painted, or show erasure marks on the surface). The signature on the back of the Card must compare favorably with the signature on the Sales Draft. The Sales Draft must be signed by the Card presenter in the presence of Your authorized representative (unless a Card Not Present Sale) and in the same format as the signature panel on the Card; e.g., Harry E. Jones should not be signed H.E. Jones. The signature panels of Visa, MasterCard and Discover Network Cards now have a 3-digit number (CVV 2/ CVC 2/ CID) printed on the panel known as the Card Validation Code.

3.3.2. No-Signature. If the signature panel on the Card is blank, in addition to requesting an Authorization, You must do all the following:

- A. Review positive identification bearing the Cardholder's signature (such as a pass- port or driver's license that has not expired) to validate the Cardholder's identity;
- B. Indicate the positive identification, including any serial number and expiration date, on the transaction receipt; and
- C. Require the Cardholder to sign the signature panel of the Card prior to completing the Transaction.

3.4. Third Party Users. A Cardholder may not authorize another individual to use his/her Card for purchases. Be sure the signature on the Card matches with the one on the Sales Draft. Furthermore, any Card having two signatures on the back panel is invalid and any sale made with this Card can result in a Chargeback. For Cards bearing a photograph of the Cardholder, ensure that the Cardholder appears to be the person depicted in the picture that appears on the Card. If You have any questions, call the Voice Authorization Center.

3.5. Special Terms.

3.5.1. Limiting Refund/Exchanges. If You limit refund/exchange terms or impose other specific conditions for Card sales, the words "No Exchange, No Refund," etc. must be clearly printed (in 1/4" letters) on the Sales Draft near or above the Cardholder's signature. The Cardholder's copy, as well as Your copy, must clearly show this information.

3.5.2. Liquidations. During a liquidation and/or closure of any of Your outlets, locations and/or businesses, You must post signs clearly visible to customers stating that "All Sales Are Final," and stamp the Sales Draft with a notice that "All Sales Are Final."

3.5.3. Cash Refunds and Incentives. Generally, do not give cash, check or in-store Credit refunds for Card sales. Visa allows for the following exclusions: a cash refund to the Cardholder for a small ticket transaction or a no signature required transaction, a cash refund, Credit, or other appropriate form of Credit to the recipient of a gift purchased as a Mail / Phone Order transaction, or a cash refund or in-store Credit for a Visa prepaid card transaction if the Cardholder states that the Visa prepaid card has been discarded. NOTE: A disclosure does not eliminate Your liability for a Chargeback. Consumer protection laws and Association Rules frequently allow the Cardholder to dispute these items notwithstanding such disclosures.

3.6. Delayed Delivery or Deposit Balance. In a delayed delivery transaction where a Cardholder makes a deposit toward the full amount of the sale, You should execute two separate Sales Drafts (each completed fully as described in Section 3.1), the first for a deposit and the second for payment of the balance upon delivery of the merchandise or the performance of the services.

3.6.1. Visa. For Visa transactions You must obtain an authorization if the cumulative total of both Sales Drafts exceeds the floor limit. You must obtain an authorization for each Sales Draft on each transaction date. You must assign the separate authorization numbers to each Sales Draft, respectively. You must note on such Sales Drafts the words "delayed delivery," "deposit" or "balance," as appropriate, and the authorization dates and approval codes.

3.6.2. MasterCard. For MasterCard transactions, You must obtain one authorization. You must note on both Sales Drafts the words "delayed delivery," "deposit" or "balance," as appropriate, and the authorization date and approval code.

3.6.3. Discover Network. For Discover Network transactions, You must label one Sales Draft "deposit" and the other "balance," as vPW1505

appropriate. You must obtain the "deposit" authorization before submitting the sales data for the "deposit" or the "balance" to Payment World. If delivery of the merchandise or service purchased will occur more than thirty (30) calendar days after the "deposit" authorization, You must obtain a subsequent authorization for the "balance." In addition, You must complete Address Verification at the time of the "balance" authorization, and You must obtain proof of delivery upon delivery of the services/merchandise purchased. You may not submit sales data relating to the "balance" to Payment World for processing until the merchandise/service purchased has been completely delivered.

3.6.4. Special Note. For MasterCard and Visa transactions, if delivery is more than twenty-five (25) days after the original transaction date and the initial authorization request (as opposed to the thirty (30) days in Discover Network transactions), You should reauthorize the unprocessed portion of the transaction prior to delivery. If the transaction is declined, contact the Cardholder and request another form of payment. For example: On January 1, a Cardholder orders \$4,400 worth of fine art and You receive an authorization for the full amount; however, only a \$400 deposit is processed. The above procedures are followed, with a \$4,000 balance remaining on the fine art; the \$4,000 transaction balance should be reauthorized.

3.7. Recurring Transaction and Preauthorized Order Regulations. If You process recurring transactions and charge a Cardholder's account periodically for recurring goods or services (e.g., monthly insurance premiums, yearly subscriptions, annual membership fees, etc.), the Cardholder shall complete and deliver to You a Cardholder approval for such goods or services to be charged to his/her/its account. The approval must at least specify the Cardholder's name, address, account number and expiration date, the transaction amounts, the timing or frequency of recurring charges and the duration of time for which the Cardholder's permission is granted.

You must obtain an authorization for each transaction and write "Recurring Transaction" (or "P.O." for MasterCard transactions) on the Sales Draft in lieu of the Cardholder's signature. A positive authorization response for one recurring transaction Card Sale is not a guarantee that any future recurring transaction authorization request will be approved or paid. For all recurring transactions, You should submit the 3-digit Card Validation Code number with the first authorization request, but not subsequent authorization requests. All Recurring Transactions or Preauthorized Orders may not include partial payments for goods or services purchased in a single transaction. You may not impose a finance charge in connection with a Recurring Transaction or Preauthorized Order. If You process recurring payment

transactions, the Recurring Payment Indicator must be included in each authorization request. Penalties can be assessed by the Associations for failure to use the Recurring Payment Indicator.

3.7.1. Discover Recurring Transactions. For Discover Network transactions, Discover Network Association Rules specifically require that You follow this Card Validation Code procedure for Discover Network recurring transactions. The Sales Draft must include a general description of the transaction, Your merchant name and a toll-free customer service number that the Cardholder may call to obtain customer assistance from You or to cancel the written approval for the recurring transaction. The approval must also include the total amount of recurring charges to be billed to the Cardholder's account, including taxes and tips and Your Merchant Number.

3.7.2. Renewed Recurring Transactions. If the recurring transaction is renewed, the Cardholder must complete and deliver to You a subsequent written request for the continuation of such goods or services to be charged to the Cardholder's account. You may not complete a recurring transaction after receiving a cancellation notice from the Cardholder or Issuer or after a request for authorization has been denied.

3.7.3. Effect of Termination. If We or You have terminated Your Agreement, You may not submit authorization requests or sales data for recurring transactions that are due after the termination date of Your Merchant Agreement.

3.8. Requirements. The following rules are requirements strictly enforced by Visa, MasterCard and Discover Network and failure to comply with these rules is grounds for immediate termination of the Agreement:

3.8.1. Amounts as Condition Prohibited. You cannot establish minimum or maximum amounts as a condition for accepting a Card, except that for Discover Network transactions, You may limit the maximum amount a Discover Network Cardholder may spend if, and only if, You have not received a positive authorization response from the Card Issuer

3.8.2. Surcharges Prohibited. You cannot impose a surcharge or fee for accepting a Card.

3.8.3. Special Conditions Prohibited. You cannot establish any special conditions for accepting a Card.

3.8.4. Special Procedures Prohibited. You cannot establish procedures that discourage, favor or discriminate against the use of any particular Card. However, You may choose not to accept either U.S. issued Debit Cards or U.S. issued Credit Cards under the terms described in Section 3.9.

3.8.5. Requiring Personal Information Prohibited. You cannot require the Cardholder to supply any personal information (e.g., home or business phone number; home or business address; or driver's license number) unless instructed by the Authorization Center. The exception to this is for a mail/ telephone / Internet order or delivery-required transaction, and zip code for a card- present key-entered transaction in order to obtain an Address Verification ("AVS"). Any information that is supplied by the Cardholder must not be in plain view when mailed.

3.8.6. Tax Must Be Included. Any tax required to be collected must be included in the total transaction amount and not collected in cash.

3.8.7. Uncollectable Transaction Prohibited. You cannot submit any transaction representing the refinance or transfer of an existing Cardholder obligation deemed uncollectible.

3.8.8. Transacting Previous Charge Back Prohibited. You cannot submit a transaction or sale that has been previously charged back.

3.8.9. Separate Drafts Required. You must create a Sales or Credit Draft for each Card transaction and deliver at least one copy of the Sales or Credit Draft to the Cardholder.

3.8.10. Covering Dishonored Checks Prohibited. You cannot submit a transaction or sale to cover a dishonored check.

3.8.11. Acceptance of Card Checks. If You accept Card checks, Your Card check acceptance policy must treat the acceptance of checks from all payment card brands that You accept equally (e.g., if You accept MasterCard, Visa and Discover Network, Your check acceptance policy must treat checks for all three payment card brands equally). You should handle these Card checks like any other personal check drawn upon a bank in the United States.**3.8.12. Effect of Failure to Comply.** In addition to terminating the Agreement, Your failure to comply with any of the Association Rules may result in fines or penalties.

3.9. Card Acceptance. If You have indicated either in the Application or by registering with Payment World at least thirty (30) days in advance that, as between Non-PIN Debit Card transactions and Credit Card transactions, You will limit Your acceptance to either (i) only accept Non-PIN Debit transactions; or (ii) only accept Credit Card transactions, then:

3.9.1. Limited Authorization. You will be authorized to refuse to accept for payment either Non-PIN Debit Cards or Credit Cards that are issued within the United States. You will, however, continue to be obligated to accept all foreign issued Credit or Debit Cards issued by MasterCard, Visa or Discover Network so long as You accept any type of MasterCard, Visa or Discover Network branded Card.

3.9.2. Special Marking and Duties. While many Debit Cards include markings indicating debit (such as "Visa Checkcard, Visa Buxx, Gift Card, DEBIT, or Mastermoney), many Debit Cards may not include any such markings. It will be Your responsibility to determine at the point of sale whether a Card is of a type that You have indicated that You will accept. You agree to institute appropriate systems and controls to limit Your acceptance to the Card types indicated. You may purchase a table of ranges of numbers currently associated with Debit Card transactions upon execution of confidentiality/non-disclosure agreements required by the Associations. You will be responsible for updating Your systems to utilize such tables and to obtain updated tables.

3.9.3. Downgrade For Improper Acceptance. To the extent that You inadvertently or unintentionally accept a transaction that You are not registered to accept, such transaction will downgrade and You will be charged the Non Qualified Rate or, if You are utilizing the Enhanced Recovery Reduced Discount option, You will be charged the Enhanced Recovery Reduced Rate on the volume of said transaction that Client was not registered to accept, in addition to the difference between the MasterCard / Visa / Discover Network Qualified Rate agreed to in Section 9 of the Service Fee Schedule and the actual interchange rate assessed to the downgraded transaction.

3.9.4. Removal of Signage. Based upon Your choice to accept only the Card types indicated in the application, You must remove from Your premises any existing signage indicating that You accept all Visa, MasterCard or Discover Network Cards and use approved specific signage reflecting Your policy of accepting only Non-PIN Debit or Credit Cards.

3.9.5. Accepting PIN Debit Cards. Even if You elect not to accept Non-PIN Debit Card transactions as provided herein, subject to Section 28, You may still accept PIN Debit Card transactions if You have signed up for PIN Debit Card Services.

3.10. Deposits of Principals. Owners, partners, officers and employees of Your business establishment, and the guarantors who signed the Application, are prohibited from submitting Sales Drafts or Credit Drafts transacted on their own personal Cards, other than transactions arising from bona fide purchases of goods or services in the ordinary course of Your business. Any use in violation of this Section 3.10 is deemed a prohibited cash advance.

3.11. Merchants in the Lodging and Vehicle Rental Industry.

3.11.1. Generally. You must estimate and obtain Authorization for the amount of the Transaction based upon the Cardholder's intended length of stay or rental. Additional Authorization must be obtained and recorded for charges actually incurred in excess of the estimated amount. Regardless of the terms and conditions of any written preauthorization form, the Sales Draft amount for any lodging or vehicle rental Transaction must include only that portion of the sale, including any applicable taxes, evidencing a bona fide rental of real or personal property by You to the Cardholder and may not include any consequential charges. Nothing contained herein is intended to restrict You from enforcing the terms and conditions of its preauthorization form through means other than a Card Transaction.

3.11.2. Lodging Service Programs. In the event You are a lodging merchant and wish to participate in Visa's and/or MasterCard's lodging services programs, please contact Your sales representative or relationship manager for details and the appropriate MasterCard and Visa requirements.

3.12. Customer Activated Terminals and Self-Service Terminals. Prior to conducting Customer Activated Terminal ("CAT") transactions or Self-Service Terminal transactions You must contact Payment

World for approval and further instructions, rules and requirements that apply to CAT and Self-Service Terminal transactions. Failure to do so could result in additional charges or termination of Your Merchant Agreement.

3.13. Displays and Advertising. You must prominently display appropriate Visa, MasterCard, Discover Network and, if applicable, other Association decals and program marks at each of Your locations, in catalogs, on websites and on other promotional materials as required by Association Rules. You may not indicate that Visa, MasterCard, Discover Network or any other Association endorses Your goods or services.

3.13.1. Termination of Right To Use Marks. Your right to use the program marks of either MasterCard, Visa or Discover Network terminates upon the earlier of (i) when Your right to accept Cards has been terminated; (ii) delivery of notice by Payment World or the respective Association to You of the termination of the right to use the program mark(s) for that Association, or (iii) termination of the license to use the program marks by the respective Association to Payment World.

3.13.2. Discover Network Sublicense to Use Discover Network Program Marks. You are prohibited from using the Discover Network Program Marks, as defined below, other than as expressly authorized in writing by Payment World. "Discover Network Program Marks" means the brands, emblems, trademarks and / or logos that identify Discover Network Cards. Additionally, You shall not use the Discover Network Program Marks other than as a part of the display of decals, signage, advertising and other forms depicting the Discover Network Program Marks that are provided to You by Payment World or otherwise approved in advance in writing by Payment World. You may use the Discover Network Program Marks only to promote the services covered by the Discover Network Program Marks by using them on decals, indoor and outdoor signs, advertising materials and marketing materials; provided that all such uses by You must be approved in advance by Payment World in writing. You shall not use the Discover Network Program Marks in such a way that customers could believe that the products or services offered by You are sponsored or guaranteed by the owners of the Discover Network Program Marks. You recognize that You have no ownership rights in the Discover Network Program Marks. You shall not assign to any third party any of the rights to use the Program Marks.

3.14. Cash Payments by and Cash Disbursements to Cardholders. You must not accept any direct payments from Cardholders for charges of merchandise or services that have been included on a Sales Draft; it is the right of the Card Issuer to receive such payments. You may not make any cash disbursements or cash advances to a Cardholder as part of a Card transaction unless You are a financial institution with express authorization in writing in advance from Servicers.

3.15. Discover Network Cash Over Transactions. Cash Over transactions are not available for MasterCard or Visa transactions. You may issue Cash Over in connection with a Discover Network Card sale, provided that You comply with the provisions of this Terms and Conditions and You comply with paragraph 3.15.1 through 3.15.4, as follows:

3.15.1. You must deliver to Payment World a single authorization request for the aggregate total of the goods/services purchase amount and the Cash Over amount of the Card sale. You may not submit separate authorization requests for the purchase amount and the Cash Over amount.

3.15.2. The Sales Draft must include both the purchase amount and the Cash Over amount, and You may not use separate Sales Drafts for the purchase amount and Cash Over amount.

3.15.3. No minimum purchase is required for You to offer Cash Over to a Discover Network Cardholder, provided that some portion of the total Card sale must be attributable to the purchase of goods or services.

3.15.4. The maximum amount of cash that You may issue as Cash Over is \$100.00. (Cash Over may not be available in certain markets. Contact Payment World for further information).

3.16. Telecommunication Transactions. Telecommunication Card Sales occur when a telephone service provider is paid directly using a Card for individual local or long-distance telephone calls. (NOTE: Pre-paid telephone service cards are not and do not give rise to Telecommunication Card Sales). Prior to conducting Telecommunication transactions You must contact Payment World for approval and further instructions, rules and requirements. Failure to do so could result in additional charges or termination of Your Merchant Agreement.

3.17. Bank Services Excluded. Discover Network Card Transactions, American Express Card Transactions and Additional Services are not provided to You by Bank, but are provided by Payment World and/or third parties. For PIN Debit transactions, such third parties may include sponsoring or acquiring banks that are not related to Bank ("PIN Debit Sponsor Banks"). The provisions of the Agreement regarding Discover Network, American Express and Additional Services constitute an agreement solely between You and Payment World and/or third parties. Bank is not a party to this Agreement insofar as it relates to Discover Network Card Transactions, American Express Card Transactions and Additional Services, and Bank is not responsible, and shall have no liability, to You in any way with respect to Discover Network Card Transactions and Additional Services.

4. Submitting Transactions

4.1. Each Transaction. Each transaction submitted for processing must include a Sales Draft or Credit Draft and a receipt or copy of the Draft that is provided to the Cardholder at the time the Card transaction is completed. Failure to provide this documentation may result in fines or termination of this Agreement.

4.2. Information Required. All of the following information must be contained on a single page document constituting a Sales Draft:

4.2.1. Account Number. Cardholder's account number must appear on the Credit or Sales Draft in the manner required by applicable law and Association Rules. Some jurisdictions require the last four numbers, some others. You are solely responsible for determining the manner and method required to truncate the Card number and Card expiration date exclusion requirements for Your state/jurisdiction;

4.2.2. Obtaining Card Information Record. Obtain a clear imprint of the Card or a valid electronic swipe of the Card. If You are unable to obtain a valid electronic swipe and/or voice authorization, You shall obtain a clear imprint of the Card with the Cardholder's signature on the Sales Draft. Your failure to comply may result in Your inability to dispute a chargeback.

4.2.3. Cardholder's Signature. When a clear imprint is obtain, You shall obtain Cardholder's signature. However, eligible merchants participating in MasterCard's Quick Payment Service Program, Visa's Small Ticket, Visa / Discover Network No Signature Program, and/or vPW1505

certain Discover Network transactions (see note below) are not required to obtain the Cardholder's signature under certain conditions set forth by each program;

4.2.4. Date of Transaction. Obtain date of the transaction;

4.2.5. Amount. The amount of the transaction and currency used.

4.2.6. Description. Provide a description of the goods and/or services involved in the transaction sufficient enough to identify what good and/or services are being purchased;

4.2.7. Valid Authorization. Obtain a valid authorization number; and

4.2.8. D/B/A. Merchant's Doing Business As ("D/B/A") name and location (city and state required) and Merchant Account Number.

4.3. No Alteration. When imprinting Sales Drafts, do not alter the Cardholder account number, circle or underline any information on the Sales Draft or alter a Sales Draft in any way after the transaction has been completed and signed. Stray marks and other alterations on a Sales Draft may render it electronically unscannable, unreadable or illegible. This may result in a Chargeback or Summary Adjustment to Your account.

For Discover Network sales using a paper Sales Draft (as opposed to Electronic Draft Capture), the paper Sales Draft must also contain the initials of Your representative or employee that conducted the transaction. For Discover Network Credits, the Credit Draft must contain the signature of Your authorized representative or employee that conducted the transaction.

Discover Card Sales in an amount more than \$25.00 including sales taxes, tip, and/or Cash Over amount are not eligible for treatment as No Signature Required Card Sales and You may lose a Dispute of such a Card Sale if the Merchant fails to obtain the Cardholder's Signature on the Transaction Receipt.

Eligible merchants participating in Quick Payment Service and/or Small Ticket are only required to provide the Cardholder with the completed Sales Draft when requested by the Cardholder.

NOTE: For Discover Network transactions, if You are a merchant operating under certain merchant category codes approved by Discover Network, You are not required to obtain the Cardholder's signature so long as the full track data is transmitted in the authorization request and the sale amount is \$25.00 or less.

4.4. Mail/Telephone/Internet (Ecommerce) Orders and Other Card Not Present Sales. You may only engage in mail/telephone/ Internet orders provided they do not exceed the percentage of Your total payment Card volume reflected on Your application. Failure to adhere to this requirement may result in cancellation of Your Agreement. Merchants conducting Internet transactions using MasterCard or Visa Cards must have special codes (an "Electronic Commerce Indicator") added to their authorization and settlement records. Discover Network does not use an Electronic Commerce Indicator. Failure to register as a merchant conducting Internet transactions can result in fines imposed by the Associations. Mail/Telephone/Internet and other Card Not Present transactions *have a substantially higher risk of Chargeback*. Since You will not have an imprinted or magnetically swiped transaction and You will not have the Cardholder's signature on the Sales Draft as You would in a face-to-face transaction, You will assume all risk associated with accepting a mail/telephone/Internet or other Card Not Present transaction. The following procedures, while they will not eliminate Chargebacks, are useful in reducing them and should be followed by You:

- Obtain the expiration date of Card.
- On the Sales Draft, clearly print the Cardholder's account number; effective and expiration dates; date of transaction; description of the goods and services; amount of the transaction (including shipping, handling, insurance, etc.); Cardholder's name, billing address and shipping address; authorization code; and merchant's name and address (city and state required).
- For mail orders, write "MO"; for telephone orders, write "TO" on the Cardholder's signature line.
- If feasible, obtain and keep a copy of the Cardholder's signature on file on a form authorizing You to submit telephone and mail order transactions.
- You should utilize the Address Verification Service for all Card Not Present Transactions (see note below). Address Verification is specifically required for all Discover Network Card Not Present Transactions, and if You do not receive a positive match through AVS, You may not process the Discover Network Card Not Present Transaction. If You do not have AVS, contact Payment World

immediately.

- You should obtain the 3-digit Card Validation Code number and include it with each authorization request. Discover Network Association Rules specifically require that You submit the Card Validation Code with the authorization request for all Discover Network Card Not Present Transactions.
- For telephone orders, it is recommended that written verification of the sale be requested from the Cardholder (sent by mail or fax).
- You may not submit a transaction for processing until after the merchandise has been shipped or the service has been provided to the customer. (The Associations will permit the immediate billing of merchandise manufactured to the customer's specifications [i.e., special / custom orders] provided the Cardholder has been advised of the billing details.)
- You should provide a copy of the Sales Draft to the Cardholder at the time of delivery. You must also obtain proof of delivery of the goods or services to the address designated by the Cardholder (i.e., by getting a signature of the Cardholder or person designated by the Cardholder through the delivery carrier). If the Cardholder visits one of Your locations to receive the goods or services purchased, obtain an imprint of the card and the Cardholder's signature.
- Notify the Cardholder of delivery time frames and special handling and/or cancellation policies. Merchandise shipping dates must be within seven (7) days of the date authorization was obtained. If, after the order has been taken, additional delays will be incurred (e.g., out of stock), notify the Cardholder and reauthorize the transaction.
- You may not require a Cardholder to complete a postcard or other document that displays the Cardholder's account number in clear view when mailed. If You accept orders via the Internet, Your web site must include

the following information in a prominent manner:

- A. Complete description of the goods or services offered;
- B. Merchandise return and refund policy;
- C. Customer service contact, including email address and/or telephone number;
- D. Transaction currency (U.S. dollars, unless permission is otherwise received from Servicers);
- E. Any applicable export or legal restrictions;
- F. Delivery policy;
- G. Consumer data privacy policy;
- H. A description of the transaction security used on Your website; and
- I. The sale or disclosure of databases containing Cardholder account numbers, personal information, or other Card transaction information to third parties is prohibited.
- J. You may not accept Card account numbers through electronic mail over the Internet.

NOTE: Address Verification Service ("AVS") does not guarantee against Chargebacks, but used properly, it assists You in reducing the risk of fraud by confirming whether certain elements of the billing address provided by Your customer match the billing address maintained by the Issuer. AVS also may help You avoid incurring additional interchange expenses. AVS is a separate process from obtaining an Authorization and will provide a separate response. A transaction may not match addresses when submitted for AVS and still receive an Authorization. It is Your responsibility to monitor the AVS responses and use the information provided to avoid high-risk transactions.

4.5. Discover Network Protocol for Internet Transactions. Each Internet Discover Network Card transaction accepted by You and submitted to Payment World shall comply with Discover Network standards, including, without limitation, Discover Network standards governing the formatting, transmission and encryption of data, referred to as the "designated protocol." You shall accept only those Internet Discover Network Card transactions that are encrypted in accordance with the designated protocol. As of the date of these Operating Procedures, the designated protocol for the encryption of data is Secure Socket Layer (SSL). We may, at our discretion, withhold Settlement until security standards can be verified. However, the designated protocol, including any specifications with respect to data encryption, may change at any time upon thirty (30) days advance written notice.

You shall not accept any Internet Discover Network Card transaction unless the transaction is sent by means of a browser which supports the designated protocol.

4.6. Customer Service Telephone Numbers for Card types which are funded by individual non-bank Associations include:

American Express/Optima	1-800-528-5200
JCB International	1-800-366-4522
Voyager	1-800-987-6591

5. Protecting Cardholder Information

5.1. Payment Card Industry Data Security Standards (PCI DSS). Visa, MasterCard, American Express, Discover Network and JCB aligned data security requirements to create a global standard for the protection of Cardholder data. The resulting Payment Card Industry Data Security Standards (PCI DSS) defines the requirements with which all entities that store, process, or transmit payment card data must comply. PCI DSS is the name used to identify those common data security requirements. The Cardholder Information Security Program (CISP) is Visa USA's data security program, the Site Data Protection (SDP) program is MasterCard's data security program and Discover Network Information Security and Compliance (DISC) is Discover Network's data security program, each based on the PCI DSS and industry aligned validation requirements. PCI DSS compliance validation is focused on any system(s) or system component(s) where Cardholder data is retained, stored, or transmitted, including:

- All external connections into Your network (i.e., employee remote access, third party access for processing, and maintenance);
- All connections to and from the authorization and settlement environment (i.e., connections for employee access or for devices such as firewalls, and routers); and
- Any data repository outside of the authorization and settlement environment. The Associations or We may impose fines or penalties, or restrict You from accepting

Cards if it is determined that You are not compliant with the applicable data security

requirements. We may in our sole discretion, suspend or terminate Card processing Services under Your Merchant Agreement for any actual or suspected data security compromise.

Detailed information about DISC, can be found at the PCI DSS Council's website: www.pcisecuritystandards.org

Detailed information about Visa's CISP program can be found at Visa's CISP website: www.visa.com/cisp.

Detailed information about MasterCard's SDP program can be found at the MasterCard SDP website: <https://sdp.mastercardintl.com>.

Detailed information about DISC can be found at Discover Network's DISC website:

<http://www.discovernetwork.com/fraudsecurity/disc.html>.

5.2. Data Security Requirement. You must comply with the data security requirements shown below:

- You must install and maintain a secure network firewall to protect data across public networks.
- You must encrypt stored data and data sent across networks.
- You must use and regularly update anti-virus software and keep security patches up-to-date.
- You must restrict access to data by business "need to know," assign a unique ID to each person with computer access to data and track access to data by unique ID.
- Don't use vendor-supplied defaults for system passwords and other security parameters.
- You must regularly test security systems and processes.
- You must maintain a policy that addresses information security for employees and contractors.
- You must restrict physical access to Cardholder information.
- You may not transmit Cardholder account numbers to Cardholders for Internet transactions.
- You cannot store or retain Card Validation Codes (three-digit values printed in the signature panel of most Cards, and a four-digit code printed on the front of an American Express Card).
- You cannot store or retain Magnetic Stripe data, PIN data or AVS data. Only Cardholder account number, Cardholder Name and Cardholder expiration date can be retained subsequent to transaction authorization.

- You must destroy or purge all Media containing obsolete transaction data with Cardholder information.
- You must keep all systems and Media containing Card account, Cardholder, or transaction information (whether physical or electronic) in a secure manner so as to prevent access by, or disclosure to any unauthorized party.
- For Internet transactions, copies of the transaction records may be delivered to Cardholders in either electronic or paper format.

5.3. Ongoing Compliance. You may be subject to ongoing validation of Your compliance with PCI DSS standards. Furthermore, We retain the right to conduct an audit at Your expense, performed by Payment World or a third party designated by Payment World to verify Your compliance, or that of Your agents or third party providers, with security procedures and these Operating Procedures.

5.4. Unauthorized Access. In the event that transaction data suspected of having been accessed or retrieved by any unauthorized person or entity, contact Payment World immediately, and in no event more than 24 hours after becoming aware of such activity.

5.5. Duty to Investigate. You must, at Your own expense (i) perform or cause to be performed an independent investigation (including a forensics analysis) of any data security breach of Card or transaction data, (ii) perform or cause to be performed any remedial actions recommended by any such investigation, and (iii) cooperate with Payment World in the investigation and resolution of any security breach.

5.6. Required Information for Discover Network Security Breaches. For security breaches involving Discover Network transactions and/or track data, You must provide Payment World and/or Discover Network with the following information: (i) the date of breach; (ii) details concerning the data compromised (e.g., account numbers and expiration dates, Cardholder names and addresses, etc.); (iii) the method of such breach; (iv) Your security personnel contacts; (v) the name of any person (including law enforcement) assisting You with Your investigation of such breach; and (vi) any other information which We reasonably request from You concerning such breach, including forensics reports. You shall provide such information as soon as practicable, and the items listed in (i)-(v) shall be provided to Payment World in any event within 48 hours of Your initial notification to Payment World of the breach. Discover Network reserves the right to conduct on-site visits to ensure compliance with its requirements.

5.7. Third Parties. You may designate a third party that does not have a direct agreement with Bank as Your agent for the direct delivery of data-captured Visa transactions to VisaNet for clearing and settlement if You (i) advise Bank that You will use a third party agent; (ii) agree that Bank must reimburse You only for the amount of Visa transactions delivered by that agent to VisaNet, less the appropriate discount fee; and (iii) assume responsibility for any failure by Your agent to comply with the Visa regulations (including violations resulting in chargebacks). The data security standards set forth above also apply to any agent or third party provider that You may use to store, process or transmit Cardholder data. In addition, such agents or third party providers must be registered with the applicable Association. Therefore, You must:

- Notify Payment World in writing of any agent or third party processor that engages in, or proposes to engage in, the storing, processing or transmitting of Cardholder data on Your behalf, regardless of the manner or duration of such activities.
- Ensure that all such agents or third party processors are (i) registered with the applicable payment card brands; and (ii) comply with all applicable data security standards, including, without limitation, the PCI DSS.

You are solely responsible for the compliance of any and all third parties that are given access by You, to Cardholder data, and for any third party software that You may use.

5.8. Cardholder Data is Strictly Confidential. Except as otherwise provided for in the Agreement and Association Rules, You may not disseminate or use Cardholder Information for any reason, unless required to do so by governmental agencies or court process. You shall use proper controls for and limit access to, and render unreadable prior to discarding, all records containing Cardholder account numbers and Card imprints. You may not retain or store Magnetic Stripe data or Card Validation Codes after a transaction has been authorized. If You store any electronically captured signature of a Cardholder, You may not reproduce such signature except upon our specific request.

5.9. Prohibited Uses of Cardholder Information. Cardholder

Information is not proprietary and is confidential information of the Cardholder. You may not sell or market, or otherwise disclose any Cardholder account numbers, personal information and other Card transaction information, including any databases containing such information, nor can You sell or disclose to a third party as an asset upon a bankruptcy, insolvency or failure of Client's business.

5.10. Cardholder Information Return Upon Filing of Bankruptcy. Upon a bankruptcy, insolvency or failure of Client's business all Card transaction information must be returned to Servicers or acceptable proof of the destruction of all Card transaction information must be provided to Servicers. In addition, in the event of Your failure (including bankruptcy, insolvency or other suspension of business operations), You are: (i) prohibited from selling, transferring or disclosing any materials that contain Cardholder account numbers, personal information or Visa transaction information to third parties; and (ii) required to return this information to Bank or provide acceptable proof of destruction of this information to Bank.

6. Authorization Requirements

6.1. Authorization Compliance. Each authorization request You submit to Payment World must fully comply with the applicable provisions of this Agreement. Submission of an authorization request that does not fully comply may result in assessment of additional fees to You, a declined authorization response or a Chargeback to You.

6.2. Obtaining Authorization. You must obtain an Authorization Approval Code from Payment World (or as provided in Section 6.7.) for all transactions. A positive authorization response for MasterCard remains valid for seven (7) days for electronic processed transactions. For true paper merchants for MasterCard and Visa transactions the Authorization remains valid for thirty (30) days. A positive authorization response for Discover Network transactions remains valid for ninety (90) days. Failure to settle within these timeframes, may result in a late presentment Chargeback.

6.3. Failure to Obtain Authorization. Failure to obtain an Authorization Approval Code for a sales transaction may result in a Chargeback and/or the termination of Your Agreement. Authorization Approval Codes can be obtained through Your POS Terminal or a Voice Response Unit ("VRU"). Any fees related to authorizations will be charged for a request for an Authorization Approval Code, whether or not the transaction is approved.

6.4. Other Authorization Provisions. Do not attempt to obtain an Authorization Approval Code provided by someone other than Payment World, except as otherwise described in Section 6.8.. If a Cardholder or another service provider provides You with either an authorization number or with a telephone number for obtaining authorizations, the Authorization Approval Code You receive may not be valid. Even if the transaction is initially processed and funded, it may be charged back at a later date. Also, if You receive a purported Authorization Approval Code from someone other than Us, We will not have the supporting records and will be unable to verify that You received the authorization if that is later questioned in a Chargeback.

An Authorization Approval Code only indicates the availability of credit on an account at the time the authorization is requested. It does not warrant that the person presenting the Card is the rightful Cardholder, nor is it a promise or guarantee that You will not be subject to a Chargeback.

If You obtain Address Verification, You must review the AVS response separately from the authorization response and make Your own decision about whether to accept the transaction. A transaction can receive an Authorization Approval Code from the Card Issuer even if AVS is unavailable or reflects that the address provided to You does not match the billing address on file at the Issuer. If the authorized Cardholder disputes such a transaction, You will be responsible for the resulting Chargeback.

If You receive a Referral response to an attempted authorization, You may not submit the transaction without calling for and receiving a voice authorization. After receiving a Referral response You may not attempt another authorization on the same Card through Your POS Terminal.

If You fail to obtain an Authorization Approval Code or if You submit a Card transaction after receiving a decline (even if a subsequent authorization attempt results in an Authorization Approval Code), Your transaction may result in a Chargeback and may be assessed fines or fees by the Associations for which You will be responsible. These currently range from \$25 to \$150 per transaction. To avoid these costs and related Chargebacks, always obtain an Authorization Approval Code directly from Your terminal before

submitting a transaction for settlement.

For Cards other than MasterCard, Visa and Discover Network (e.g., American Express, JCB, etc.) or for check acceptance, You must follow the procedures for authorization and acceptance for each.

You may not attempt to obtain multiple authorizations for a single transaction. If a sale is declined, do not take alternative measures with the same Card to obtain an approval of the sale from other authorization sources. Instead, request another form of payment. If You accept and process a transaction that was declined, or attempt multi-transactions and/or multi-authorizations, You are subject to a Chargeback, Association fines and/or cancellation of Your Agreement.

6.5. Authorization When Card Not Present. You must obtain the 3-digit Card Validation Code (CVV2, CVC2, CID) and submit this Code with all authorization requests with respect to transactions where the Card is not present (e.g., telephone, mail or internet sales). However, for recurring transaction authorizations You should submit the Card Validation Code with the first authorization request only, and not with subsequent recurring transaction authorization requests.

NOTE: For each Card Not Present Discover Network transaction, You must also verify the name and billing address of the Discover Network Cardholder using the Address Verification System (AVS), and if You do not receive a positive match, do not process the Discover Network Card Not Present transaction.

6.6. Authorization via Telephone (Other Than Terminal/Electronic Device Users).

- Call Your designated voice authorization toll free number and enter the authorization information into the VRU using a touch tone phone or hold for an authorization representative.

- If advised to pick up a Card, use reasonable and peaceful means to do so, and do not take any action that will alarm or embarrass the Card presenter. You will bear all responsibility for claims, liabilities, costs and expenses as a result of any action by You, Your employees, vendors or agents, that attempt to retain a Card without the Issuer's direct request or failure to use reasonable, lawful means in retaining or attempting to retain the Card. Forward the Card to: Attn: Rewards Department, P.O. Box 5019, Hagerstown, MD 21740. You may be paid a reward for the return of the Card.
- On occasion, the Authorization Center will ask You to obtain identification from the Cardholder before issuing an approval code. If You are instructed to do so, clearly write the appropriate identification source and numbers in the space provided on the Sales Draft unless otherwise prohibited by law.
- If the sale is declined, please remember that our operators are only relaying a message from the Card Issuer. The fact that a sale has been declined should not be interpreted as a reflection of the Cardholder's creditworthiness. The Cardholder should be instructed to call the Card Issuer.

6.7. Authorization via Electronic Devices.

- If You use an electronic terminal to obtain an Authorization Approval Code, all sales should be authorized through this equipment. Authorizations through other methods will result in additional charges to You.
- If Your terminal malfunctions, refer to Your Quick Reference Guide, if necessary, or call the POS Help Desk. The problem will either be corrected promptly or may require terminal programming or replacement. During the period in which Your terminal is not functioning, remember to check it periodically since most terminal problems are temporary in nature and are quickly corrected.
- If a terminal is moved or if wires are disconnected, causing malfunction, call the POS Help Desk immediately and follow their instructions. You may be responsible for any service charges incurred for reactivation of the terminal.
- Until the terminal becomes operable, You must call Your designated voice authorization toll free number and enter authorization information into the VRU using a touchtone phone. During this time, each transaction must be imprinted using a manual Imprinter machine. Failure to obtain an Authorization Approval Code and to imprint these transactions could result in a Chargeback to Your account.

6.8. Third Party Authorization System. If You have contracted with another authorization network to obtain Credit Card authorization, i.e., Your terminal can Split Dial, liability resulting from discrepancies with that network must be resolved between You and that network. We will

not research Chargebacks resulting from Authorization Approval Codes obtained from another authorization service organization. Such Chargebacks will be passed through to You for resolution. If an authorization provided by a third party authorization system is challenged in a Chargeback, You must obtain proof (e.g., third party authorization logs) from the authorization source and submit it to Payment World within the time frame specified on the Chargeback documentation.

IF You CONTRACTED TO USE ONE OF OUR AUTHORIZATION SERVICES, DO NOT USE ANOTHER THIRD PARTY SYSTEM WITHOUT NOTIFYING CUSTOMER SERVICE. OTHERWISE, WE WILL BE UNABLE TO SUCCESSFULLY RESEARCH AND DEFEND ANY AUTHORIZATION RELATED CHARGEBACKS ON YOUR BEHALF. THIS DELAY WILL SIGNIFICANTLY DECREASE YOUR TIME TO RESEARCH AND PROVIDE PROOF OF AUTHORIZATION, THUS REDUCING YOUR OPPORTUNITY TO REVERSE A CHARGEBACK.

If You utilize another authorization network, You will be responsible for the downgrade of any transactions to a higher cost interchange that result from a mismatch of information to our systems and those of third party authorization networks.

If You use a third party authorization network, You must also comply with this Section 6.8. Call the following for other Card types:

American Express/Optima	1- 800-528-2121
JCB International	1- 800-522-9345
Voyager	1- 800-987-6589

Available 24 hours/day; 7 days/week.

All approved sales authorized in this manner must be entered manually as "post authorization" transactions into the terminal, once the terminal becomes operational. All Credit transactions must be entered into the terminal for data capture. You may be subject to a Chargeback if You receive a Referral and subsequently receive an approval. To reduce the risk of such a Chargeback, the Card should be imprinted using a manual Imprinter machine. (For specific procedures on Electronic Data Capture, refer to the Terminal Operating Instructions / Users Guide.) If the terminal malfunctions for more than twenty-four (24) hours, contact Customer Service for further instructions on processing Your transactions.

6.9. Automated Dispensing Machines. Records must be produced for all trans- actions whose origin and data capture use automated dispensing machines or Limited Amount Terminals. Records should include the Cardholder account number, merchant's name, terminal location, transaction date and amount.

6.10. Pre-Authorization for T&E (Travel & Entertainment) and Restaurant Merchants. If You are a business engaged in providing travel and/or entertainment services (e.g., car rentals, hotels, motels, etc.) or a restaurant business, and engage in the practice of "pre-authorization" You must comply with the following general procedures:

- A hotel, motel, or car rental merchant may obtain an estimated Visa, MasterCard or Discover Network authorization at the time of check-in.
- Restaurants must not add an estimated tip amount to the authorization request beyond the value of the goods provided, or services rendered, plus any applicable tax.
- You must notify the Cardholder of the dollar amount You intend to "Pre-Authorize."
- If the customer decides to use another form of payment (e.g., cash, check, etc.) You must promptly call the Voice Authorization Response Unit to delete the authorization hold. Provide the Cardholder's account number, original dollar amount and date of the transaction, and the authorization code. If a new trans- action takes place, a new imprinted and signed Sales Draft for the exact amount and a new authorization code for that amount must be obtained.
- Vehicle rental providers may not include potential vehicle damage or insurance deductibles in any pre-authorizations.
- If You receive a decline on a transaction, You must wait twenty-four (24) hours before attempting to reauthorize. If You reauthorize prior to this time frame and receive an approval, You may be subject to a Chargeback and a fine imposed by the Associations.
- Hotels, motels, and car rental merchants are allowed up to a 15% variance above the amount authorized. If the final amount charged to the Cardholder exceeds the original estimate by more

than 15% above the preauthorization, You must authorize any additional amounts, and all incremental authorization codes must be written in the authorization area along with the date of authorization and the amount authorized.

- Restaurants are allowed up to a 20% (instead of 15%) variance above the amount authorized. If the final amount exceeds the amount "authorized" by more than 20%, You must authorize the additional amount. Estimating the Authorization amount to include a tip is prohibited. The authorization request should include only the amount associated with the bill presented to the consumer.
- You should obtain an authorization for the initial estimated charges and then monitor the charges to ensure that the actual charges made do not exceed the estimated charges. If the actual charges exceed the amount of the initial estimated authorization (and any subsequent estimated authorizations), then You must secure a positive authorization for the additional amount. NOTE: Subsequent authorizations should only be for the additional amount of total charges and not include amounts already authorized.
- The estimated amount of any pre-authorization for lodging accommodations must be based on (i) the intended length of stay; (ii) the room rate; (iii) applicable taxes and service charges; and (iv) other miscellaneous charges as dictated by experience.
- If an authorization request is declined, no charges occurring after that date will be accepted for that Cardholder.
- You do not need to obtain a final authorization if the total sum of charges (the final amount) does not exceed 120% of the previously authorized charges. You must record the dates, authorized amounts, and their respective Authorization Approval Codes on the Sales Draft(s).

6.11. Discover Network Procedure for Request for Cancellation of Authorization. If a Discover Network Card sale is cancelled or the amount of the transaction changes following Your receipt of authorization for the sale, You must call Your Authorization Center directly and request a cancellation of the authorization. An authorization may be cancelled at any time within fifteen (15) days of Your receipt of the authorization, but must be cancelled before the sales data relating to the transaction is submitted to Us, after which the authorization cannot be changed. For an authorization cancellation, You must provide Payment World with the following information, in this order:

- The Discover Network Merchant Number used in the authorization;
- The Card number;
- The original amount of the authorization being cancelled;
- The new amount of the total transaction (if any);
- The original authorization code for the authorization being cancelled;
- The expiration date of the Card; and
- A brief reason for the authorization cancellation.

6.12. Partial Authorization and Authorization Reversal. Partial authorization provides an alternative to a declined transaction by permitting a Card Issuer to return an authorization approval for a partial amount, an amount less than the transaction amount requested by the merchant when the available card balance is not sufficient to approval the transaction in full. The Cardholder is able to use up the remaining funds on the card and select another form of payment (i.e., another payment card, cash, check) for the remaining balance of the transaction. If You support partial authorizations, a partial authorization indicator must be included in each authorization request.

An authorization reversal must be submitted if the authorization is no longer needed, a partial amount of the total authorized is submitted for the settled trans- action, or the Cardholder elects not to complete the purchase. The transaction sent for settlement must be no more than the amount approved in the partial authorization response. In the event that You wish to support the partial authorization functionality, You must contact Payment World for additional rules and requirements.

7. Factoring Prohibited

7.1. Submission of Sales for Merchants Other Than Your Business.

You may present for payment only valid charges that arise from a transaction between a bona fide Cardholder and Your establishment. If You deposit or attempt to deposit trans- actions that arise from sales between Cardholders and a different business than the one approved by Payment World in our Agreement with You, then the transaction may be charged back. We may suspend or debit funds associated with all such transactions, and We may immediately terminate Your account and the Agreement.

7.2. Factoring Through Discover Network Is Fraud. For Discover Network transactions, Factoring is considered merchant fraud and strictly prohibited, unless You are registered with Payment World as a Payment Service Provider. Factoring is the submission of authorization requests and/or Sales Drafts by a merchant for Card transactions transacted by another business. If You submit Sales Drafts on behalf of another Person, You will suffer any losses associated with the disputes of the Discover Network Card Sales. Also if any fraud is involved, You could face criminal prosecution.

8. Your Settlement Account

8.1. Deposits to Your Settlement Account. Your funds for MasterCard/Visa/Discover Network transactions will be processed and transferred to Your financial institution within two (2) Business Days from the time a Batch is received by Payment World if Your financial institution is the Bank. If Your financial institution is not the Bank, Your MasterCard/Visa/Discover Network transactions will be processed via the Federal Reserve within two (2) Business Days from the time a Batch is received by Payment World. The Federal Reserve will transfer such amounts to Your financial institution.

8.2. Timeliness. In order to qualify for the lowest interchange Discount Rate, all Sales and Credit Drafts must be properly completed and submitted daily. If You have not received payment for submitted Sales Drafts after one (1) week from Your normal payment date, contact Customer Service. Late Submission of Sales or Credit Drafts may result in increased interchange rates or fees or in a Chargeback to You.

8.3. Mail/Branch Deposit Procedures. Complete the appropriate summary form designated for Your use. Imprint the completed summary with Your Merchant Identification Card, if applicable, and sign it. Please do not staple or clip Sales Drafts together or to summary forms. This will distort the Cardholder's account number and may result in a Summary Adjustment or Chargeback to You. Mail Your deposits daily to Us, or, if Your Agreement allows deposit at a local bank branch, You must make daily deposits.

Do not send Payment World the merchant copies (which are for Your records); submit only the Bank hard copies of the transactions. If merchant copies are submitted, they will be returned to You unprocessed.

8.4. Electronic Merchants. Daily Batching Requirements & Media Submission. Batches must be transmitted to Payment World by the time indicated on the Additional Important Information page in Part IV, Section A.2 of the Agreement in order to be processed on the date of transmission. Additionally, if You deposit via magnetic tape, electronic transmissions, or Electronic Data Capture terminal, and have contracted to send the actual Sales and Credit Drafts to Payment World for microfilming and retrieval, the Sales and Credit Drafts (Media) must be batched daily by register/terminal following the procedures below. Failure to do so may result in a processing fee and/or a Chargeback due to our inability to retrieve the Media as requested by the Card Issuer.

- A register/terminal Batch header form must be filled out for each Batch of Media.
- The Batch header must be imprinted with Your Merchant Identification Card, and all areas completed properly (i.e., Batch number, date, amount, number of items, etc.).
- The Batch/deposit total must match to the settled/reconciled amount displayed on the terminal upon closing the Batch.
- Any discrepancies between the actual Media and electronic display must be reconciled and corrected before storing the Media (for merchants who contract to hold their Media) or before sending Payment World the copies of the deposit. Otherwise, transactions may appear to be a new Submission and may be manually keyed (causing duplicate billing to Cardholders and resulting in Chargebacks) or We may not be able to retrieve an item when requested by the Card Issuer.
- It is Your responsibility to ensure that the actual Media is batched correctly and, depending on the terms of Your Agreement, either stored at Your location or sent to Payment World. (In some cases, the actual Media is sent daily to Your head office, and forwarded

to Payment World for microfilming.)

- You must confirm that Your equipment has transmitted its Batches to Payment World at least once daily. Even if Your equipment is designed or programmed to close and submit Batches without Your intervention, it is ultimately Your responsibility to confirm that the Batches have been transmitted to Payment World for processing.

9. Debits To Your Settlement Account

9.1. Chargebacks.

9.1.1. Generally. Both the Cardholder and the Card Issuer have the right to question or dispute a transaction. If such questions or disputes are not resolved, a Chargeback may occur. A Chargeback is a Card transaction that is returned by the Card Issuer. As a result, We will debit Your Settlement Account or settlement funds for the amount of the Chargeback. It is strongly recommended that, whenever possible, You contact the Cardholder directly to resolve a disputed transaction or Chargeback, unless the dispute involves a Discover Network Cardholder, in which case Discover Network rules and regulations expressly prohibit You from contacting the Discover Network

Cardholder regarding the dispute. You are responsible for all Chargebacks and related costs arising from Your transactions.

9.1.2. Transaction Documentation Requests. In some cases, before a Chargeback is initiated, the Card Issuer will request a copy of the Sales Draft, via a request for transaction documentation. We will forward the request to You. You must respond to the request within the time frame and manner set forth in the request. We will then forward Your response to the Card Issuer. If You fail to timely respond, We will so notify the Card Issuer and a Chargeback may result. Upon receipt of a transaction documentation request, immediately retrieve the requested Sales Draft(s) using the following guidelines:

- Make a legible copy, centered on 8-1/2 x 11-inch paper (only one (1) Sales Draft per page).
- Write the 'case number' from the request for transaction documentation on each copy/page.
- If applicable, make copies of a hotel folio, car rental agreement, mail/phone/ Internet order form, or other form of receipt.
- If a Credit transaction has been processed, a copy of the Credit Draft is also required.
- Letters are not acceptable substitutes for Sales Drafts.
- Fax or mail legible copies of the Sales Draft(s) to the fax number or mail address provided on the request form.
- If You fax Your response, please set Your fax machine to print Your fax number and name on the documents that You send. We can use this information to help determine where the documentation received originated from should additional research be required.
- Additionally, please set the scan resolution on Your fax machine to the highest setting. The higher resolution setting improves the clarity of characters and graphics on the Sales Drafts transmitted and helps reduce the number of illegible fulfillments and/or Chargebacks.
- If We do not receive a clear, legible and complete copy of the transaction documentation within the timeframe specified on the request, You may be subject to a Chargeback for "non-receipt" for which there is no recourse.
- A handling fee may be charged by the Issuer and will be debited from Your Settlement Account or settlement funds if, a transaction documentation request results from a difference in the following information on the Sales Draft and the transmitted record: merchant name or an incorrect city, state, foreign country and/or transaction date.

9.2. Chargeback Process. Regardless of whether You respond to a transaction documentation request, a Chargeback may be debited to Your Settlement Account for numerous reasons (see below). If the Card Issuer submits a Chargeback, We will send You a Chargeback notification, which may also include a request for transaction documentation. Due to the short time requirements imposed by MasterCard, Visa and Discover Network, it is extremely important that You respond to a Chargeback notification and transaction documentation request within the time frame set forth in the notification. Do not process a Credit transaction once a Chargeback is received; the Card Issuer will Credit the Cardholder's account. If the information You provide is both timely and, in our sole discretion, sufficient to warrant a representation of the transaction and/or reversal

of the Chargeback, We will do so on Your behalf. However, re-presentment and/or reversal is ultimately contingent upon the Card Issuer and/or Cardholder accepting the transaction under applicable Association guidelines. Re-presentment or reversal is not a guarantee that the Chargeback has been resolved in Your favor.

9.2.1. Visa Chargebacks. If We reverse the Chargeback and represent the transaction to the Card Issuer, the Card Issuer, at its sole discretion, may elect to submit the matter for arbitration before Visa. Visa currently charges a \$250 filing fee and a \$250 review fee. If a decision is made in favor of the Cardholder and/or Card Issuer, and the Chargeback is upheld, You will be responsible for all such fees and any other applicable fees and penalties imposed by Visa, as they may change from time to time. Such fees and penalties will be debited from Your Settlement Account or settlement funds, in addition to the Chargeback.

9.2.2. MasterCard Chargebacks. If We reverse the Chargeback and represent the transaction to the Card Issuer, the Card Issuer, at its sole discretion, may elect to resubmit the Chargeback. In such event, at the discretion of Payment World, We will debit Your Settlement Account or settlement funds for the Chargeback. However, if You feel strongly that it is an invalid Chargeback, We may, on Your behalf and at Your request, submit the matter for arbitration before MasterCard. MasterCard currently charges a \$150 filing fee and a \$250 review fee. If a decision is made in favor of the Cardholder and/or Card Issuer, and the Chargeback is upheld, You will be responsible for all such fees and any other penalties imposed by MasterCard as they may change from time to time. Such fees and penalties will be debited from Your Settlement Account or settlement funds, in addition to the Chargeback.

9.2.3. Discover Network Chargebacks. If Discover Network rejects our re-presentment request and You feel strongly that the Chargeback is invalid, We may, at the discretion of Payment World and on Your behalf and at Your request, submit the matter for dispute arbitration before Discover Network. Discover Network charges fees for re-presentment requests and an arbitration fee as published in their fee schedule. Discover Network rules and regulations prohibit You and/or Payment World from contacting the Cardholder directly regarding dispute(s) or any other matter, except as required for acceptance of Discover Network transactions, and require You and/or Payment World to submit any responses to dispute notices directly to Discover Network.

9.2.4. Untimely Disputed Chargebacks. If the Chargeback is not disputed within the applicable time limits set forth by MasterCard, Visa, and Discover Network rules and regulations, reversal rights are forfeited. Our only alternative, for Visa and MasterCard non-fraud Chargeback reason codes, is to attempt a "good faith collection" from the Card Issuer on Your behalf. This process can take up to six (6) months and must meet the Card Issuer's criteria (e.g., at or above a set dollar amount). Good faith collection attempts are not a guarantee that any funds will be collected on Your behalf. Card Issuers normally charge good faith collection fees, which are deducted from the transaction amount if accepted in addition to any processing fees that are charged by Payment World. NOTE: Discover Network does not offer good faith collection for Acquirers. MasterCard and Visa Association Rules require that a merchant make a good faith attempt and be willing and able to resolve any disputes directly with the Cardholder.

9.2.5. Re-Billing Prohibited. Due to Association Rules, You may not re-bill a Cardholder after a Chargeback is received for that transaction, even with Cardholder authorization.

9.2.6. Rebuttal Letters. We strongly recommend that You include a detailed rebuttal letter along with all pertinent documents when responding to a transaction request or a Chargeback notification (e.g., rental agreement, imprinted portion of the invoice or Sales Draft; the portion signed by the Cardholder; and the area where the authorization codes, with amounts and dates, are located).

10. Refund Policies and Procedures

10.1. Refunds. You must promptly complete and submit a Credit Draft for the total amount of the refund, which must include the following information:

- The account number and expiration date;
- The Cardholder's name;
- Your name, city, state and Merchant Account Number;
- A description of the goods or services;
- The transaction date of the Credit;
- The total amount of the Credit; and
- For Discover Network transactions, the approved currency used and the signature of Your authorized representative or employee.

10.2. Full Refunds. Full refunds must be for the exact dollar amount of the original transaction including tax, handling charges, etc. (You must identify the shipping and handling charges incurred.) The refund amount may not be for more than the original Credit Card sale amount.

10.3. Legibility Required. All dollar amounts and other handwritten information must be clearly written. (Stray marks on the Credit Draft will render it unscannable/illegible.) Do not circle or underline any information on the Credit Draft. Imprint the draft with the same Card used by the Cardholder to make the original purchase.

10.4. Credit to Original Account. You should not credit an account that differs from the account used for the original transaction.

10.5. Cash Back Prohibited. Never give cash, check or in-store Credit refunds for Credit Card sales.

10.6. Signed Credit Draft. Have the Cardholder sign the Credit Draft, give the Cardholder the appropriate copy, and deposit the Credit Draft immediately. Failure to process a Credit within five (5) calendar days may result in a Chargeback.

10.7. Authorization Not Required. Authorization is not required for refunds.

10.8. Prohibited Sale or Credit. You cannot intentionally submit a sale and an offsetting Credit at a later date solely for the purpose of debiting and crediting Your own or a customer's account.

10.9. Obligation to Pay All Refunds. You are responsible for paying all refunds submitted to Payment World on Your merchant account. We assume no responsibility for verifying any Credits or refunds.

10.10. Security of Terminals. You ARE RESPONSIBLE TO SECURE YOUR TERMINALS AND TO INSTITUTE APPROPRIATE CONTROLS TO PREVENT EMPLOYEES OR OTHERS FROM SUBMITTING REFUNDS THAT DO NOT REFLECT BONA FIDE RETURNS OR REIMBURSEMENTS OF PRIOR TRANSACTIONS.

10.11. Exchanges. No additional paperwork is necessary for an even exchange. Just follow Your standard company policy. For an uneven exchange, complete a Credit Draft (follow the procedures outlined in Section 10.1) for the total amount of only the merchandise returned. The Cardholder's account will be credited for that amount. Then, complete a new Sales Draft for the total amount of any new merchandise purchased.

11. Maintaining Sales and Credit Drafts

11.1. Retain Legible Copies For MasterCard and Visa. You must securely retain legible copies of all Sales and Credit Drafts or any other transaction records for a period of eighteen (18) months from the date of each transaction and a period of five (5) years for the retention of healthcare Sales and Credit Drafts.

11.2. Retain Legible Copies For Discover Network. You must securely retain legible copies of all Sales and Credit Drafts or any other transaction records for the longer of (i) 365 days or (ii) the resolution of any pending or threatened disputes, claims, disagreements or litigation involving the Card transaction. You must also keep microfilm or other copies of Sales Drafts for no less than three (3) years from the date of the Discover Network transaction.

11.3. Provide Sales and Credit Drafts. You must provide all Sales and Credit Drafts or other transaction records requested by Payment World within the shortest time limits established by Association Rules. You are responsible for any deficiencies in Card transaction data transmitted or otherwise delivered to Payment World.

11.4. Ensure Proper Retrieval Fulfillment. To ensure proper Retrieval fulfillments and/or Chargeback processing, Sales and Credit Drafts must contain the full sixteen (16) digit account number and expiration date. Failure to retain this information could result in a future Chargeback to Your account.

12. Changes In Your Information

12.1. Change of Settlement Number. If You change the Settlement Account in which You receive the proceeds of your transactions, You must call Customer Service or your Relationship Manager immediately. If You accept payment types other than Visa, MasterCard and Discover Network (such as the American Express Card and JCB), You are also responsible for contacting the Associations or companies governing those Cards to notify them of this change.

12.2. Change in Your Legal Name or Structure. You must call Customer Service or your Relationship Manager and request a new Agreement.

12.3. Change in Company DBA Name, Address or Telephone/Facsimile Number. To change your company DBA name,

address or telephone / facsimile number, You must send the request in writing to the address on your statement.

12.4. Other Change(s) in Merchant Profile. You must immediately notify Payment World of any change to the information on file with Payment World in your merchant profile, including: (i) any new lines or types of business; (ii) change in ownership; (iii) closing or liquidation of business or any location; (iv) change in Card processing method (i.e., paper Sales Drafts to POS Device); (v) voluntary or involuntary party to a bankruptcy case; (vi) entry into a loan or other agreement with a third party that seeks to affect this Merchant Agreement; and/or (vii) change from a business that exclusively conducts card-present retail sales to one that accepts Card sales by mail, telephone or Internet transactions. We retain the right to terminate this Agreement if You fail to notify Payment World of any change to the information in your merchant profile.

12.5. Charges for Changes to Account Maintenance. You may be charged for any other changes referenced in this Section or any other changes requested by You or otherwise necessary related to account maintenance.

12.6. Cooperation. If You are undergoing a forensic investigation at the time the Agreement is signed, You agree to fully cooperate with said investigation until such time as it is completed.

13. Exclusivity

13.1. Exclusivity. During the term of the Agreement, You shall use Payment World as your exclusive provider of all Services.

13.2. Failure of Exclusivity. If, during the term of the Agreement, You process any of Your Card charges with any other processor other than Payment World, You acknowledge that the Agreement may be terminated early by Payment World and that You may be subject to an ETF.

14. On-Going Processing

14.1. Use of Affiliates. Subject to Association Rules, Services may be performed by one or more of our affiliates.

14.2. Card Transaction Required To Be Settled. Bank and/or Payment World will only be required to settle Card transactions for Card types specified in your Application. Promptly after presentment of Sales Drafts pursuant to the Operating Procedures, Bank (in the case of Visa and MasterCard transactions) or Payment World (in the case of other transactions) will initiate a transfer of the applicable settlement funds to You.

14.3. Net Settled Amount. All settlements for Visa, MasterCard and Discover Network Card transactions will be net of Credits/refunds, adjustments, applicable discount fees when due, Chargebacks and any other amounts then due from you. Bank may set off from payments due to You as a result of Visa and MasterCard transactions any amount owed to Bank and/or any affiliate of Bank whether or not arising out of or related to this Agreement. Payment World may also set off from payments due to you as a result of non-Visa and non-MasterCard transactions any amounts owed to Payment World or to Payment World's affiliates whether or not arising out of or related to this Agreement.

14.4. Credits Subject to Audit, etc. All Credits to your Settlement Account or other payments to You are provisional and are subject to, among other things, a final audit by Bank and/or Payment World, Chargebacks (including our related losses), fees and fines imposed by the Associations. You agree that Bank and/or Payment World may debit or credit your Settlement Account for any deficiencies, overages, fees and pending Chargebacks, or may deduct such amounts from settlement funds due to you. Alternatively, Bank and/or Payment World may elect to invoice You for any such amounts net due 30 days after the invoice date or on such earlier date as may be specified.

14.5. No Liability For Delay. Neither Bank nor Payment World will be liable for any delays in receipt of funds or errors in debit and Credit entries caused by third parties including but not limited to any Association or your financial institution.

14.6. Election To Process On Default. In addition to any other remedies available to Bank or Payment World under this Agreement, You agree that should any Event of Default occur, Bank and/or Payment World may, with or without notice, change processing or payment terms and/or suspend Credits or other payments of any and all funds, money and amounts now due or hereafter to become due to You pursuant to the terms of this Agreement, until Bank and/or Payment World have had reasonable opportunity to investigate such event.

15. Charges for Services

15.1. Generally. You shall be charged fees for the Services, which shall be calculated and payable pursuant to the Agreement and any

additional pricing supplements. You acknowledge that the fees agreed to are based on the assumption that your transactions will qualify for certain interchange levels (Your Anticipated Interchange Levels), as set by the applicable Association. If a transaction fails to qualify for your Anticipated Interchange Levels, then the Association will downgrade the transaction and process it at a more costly interchange level for which it does qualify. In that event, You shall be charged a Non-Qualified Interchange Fee, which is the difference in the interchange fee associated with the Anticipated Interchange Level and the interchange fee associated with the interchange level at which the transaction actually was processed; plus, any applicable Non-Qualified Surcharge for each non-qualifying transaction, the amount of which is set forth in the service fee schedule. For more information on Visa's and MasterCard's interchange rates, please go to www.visa.com and www.mastercard.com.

15.2. Authorization Fees and Other Fees. All authorization fees will be charged for each transaction that You attempt to authorize. All capture fees will be charged for each transaction that You transmit to Payment World for settlement. If You receive settlement funds by wire transfer, We may charge a wire transfer fee per wire.

15.3. Basis For Fees. The fees for Services set forth in this Agreement are based upon assumptions associated with the anticipated annual volume and average transaction size for all Services as set forth in this Agreement and Your method of doing business. If the actual volume or average transaction size are not as expected or if You significantly alter Your method of doing business, We may adjust Your discount fee and transaction fees without prior notice. In agreeing to this provision, You hereby acknowledge that We shall have sole discretion to analyze the risk associated with Your business as We deem appropriate, and any decision by Us to transact business with You is based upon Your business practices as they exist at the commencement of our business relationship with You and as projected in disclosures made by You to Us in writing at the inception of our relationship.

15.4. Fees Subject to Change. The fees for Services set forth in this Agreement may be adjusted to reflect increases or decreases by Associations in interchange, assessments and other Association fees or to pass through increases charged by third parties for on-line communications and similar items. All such adjustments shall be your responsibility to pay and shall become effective upon the date any such change is implemented by the applicable Association or third party. We may also increase our fees for Services for any other reason by notifying You twenty (20) days prior to the effective date of any such change.

15.5. Use of ACH. To the extent the Automated Clearing House ("ACH") settlement process is used to effect debits or Credits to your Settlement Account, You agree to be bound by the terms of the operating rules of the National Automated Clearing House Association, as in effect from time to time. You hereby authorize Payment World to initiate credit and debit entries and adjustments to your account through the ACH settlement process and/or through direct instructions to the financial institution where your Settlement Account is maintained for amounts due under this Agreement and under any agreements with Payment World or our affiliates for any related services, as well as for any credit entries in error. You hereby authorize the financial institution where your Settlement Account is maintained to effect all such debits and credits to your account. This authority will remain in full force and effect until We have given written notice to the financial institution where your Settlement Account is maintained that all monies due under this Agreement and under any other agreements with Payment World or our affiliates for any related services have been paid in full.

15.6. Agreement to Pay Fines Imposed on Payment World. You agree to pay any fines imposed on Payment World by any Association resulting from Chargebacks and any other fees or fines imposed by an Association with respect to your acts or omissions. You are also responsible for any fines or fees imposed on Payment World as a result of acts or omissions by your agents or third parties.

15.7. Impact of Excessive Chargebacks. If your Chargeback percentage for any line of business exceeds the estimated industry Chargeback percentage, You shall, in addition to the Chargeback fees and any applicable Chargeback handling fees or fines, pay Payment World an excessive Chargeback fee for all Chargebacks occurring in such month in such line(s) of business. Each estimated industry Chargeback percentage is subject to change from time to time by Payment World in order to reflect changes in the industry Chargeback percentages reported by Visa, MasterCard or Discover Network. Your Chargeback Percentage will be calculated as the larger of (a) the total Visa, MasterCard and Discover Network Chargeback items in any line of business in any calendar month divided by the number of Visa,

MasterCard and Discover Network transactions in that line of business submitted that month, or (b) the total dollar amount of Visa, MasterCard and Discover Network Chargebacks in any line of business received in any calendar month divided by the total dollar amount of your Visa, MasterCard and Discover Network transactions in that line of business submitted in that month.

15.8. Disputes Regarding Adjustments. If You believe any adjustments should be made with respect to your Settlement Account, You must notify Payment World in writing within 45 days after any debit or Credit is or should have been effected. If You notify Payment World after such time period, We may, in our discretion, assist you, at your expense, in investigating whether any adjustments are appropriate and whether any amounts are due to or from other parties, but We shall not have any obligation to investigate or effect any such adjustments. Any voluntary efforts by Payment World to assist You in investigating such matters shall not create any obligation to continue such investigation or any future investigation.

16. Reimbursements to Payment World

16.1. Reimbursement for Chargebacks. You shall be responsible for reimbursing Payment World for all transactions You submit that are charged back.

16.2. Reimbursement for Failure To Produce Card transaction. You shall reimburse Payment World for any Chargebacks, return items, or other losses resulting from your failure to produce a Card transaction record requested by Payment World within the applicable time limits.

17. Merchant Representations and Warranties

17.1. For Each Card Transaction. For each Card transaction that You present for processing, You represent and warrant that the transaction: (i) is a bona fide sale/rental of merchandise or services not previously submitted; (ii) is an obligation of the Cardholder for the amount of the Card transaction; (iii) an amount charged for the Card transaction is not subject to any pending or previously resolved dispute, setoff or counterclaim; (iv) is in an amount that is only for the merchandise or services sold or rented, including tax; (v) except for any delayed delivery or advance deposit Card transactions expressly authorized by this Agreement, the merchandise or service was actually delivered to or performed for the Cardholder or person entering into the Card transaction simultaneously upon your accepting and submitting the Card transaction for processing; (vi) does not represent the refinancing of an existing obligation of the Cardholder of any kind; (vii) is not fraudulent or not authorized by the Cardholder or which would otherwise impair the validity or collectability of the Cardholder's obligation arising from the Card transaction or relieve the Cardholder from liability with respect thereto; (viii) submitted to Payment World was entered into by You and the Cardholder; (ix) was made in accordance with the Agreement, Association Rules and the Operating Procedures; and (x) is not a payment for a product or service that violates federal, state or local law in any jurisdiction that may be applicable.

17.2. Assignments. You will not assign any rights under the Agreement without the express written consent of Payment World.

17.3. Accurate Information. Any and all information that You provide to Payment World is truthful and accurate.

18. Disclaimers and Limits to Liability

18.1. Representations and Warranties Disclaimer. THIS AGREEMENT IS A SERVICE AGREEMENT. WE DISCLAIM ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, MADE TO YOU OR ANY OTHER PERSON, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OR OTHERWISE OF ANY SERVICES OR ANY GOODS PROVIDED INCIDENTAL TO THE SERVICES PROVIDED UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY SERVICES OR ANY GOODS PROVIDED BY A THIRD PARTY.

18.2. Persons Liable Exclusions. IN NO EVENT SHALL EITHER PARTY, OR THEIR AFFILIATES OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR SUBCONTRACTORS, BE LIABLE UNDER ANY THEORY OF TORT, CONTRACT, STRICT LIABILITY OR OTHER LEGAL THEORY FOR LOST PROFITS, LOST REVENUES, LOST BUSINESS OPPORTUNITIES, EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT OF THE PARTIES, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER ANY PARTY OR ANY ENTITY HAS

BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CLIENT ACKNOWLEDGES AND AGREES THAT PAYMENT OF ANY EARLYTERMINATION FEE OR LIQUIDATED DAMAGES AS PROVIDED ELSEWHERE IN THIS AGREEMENT SHALL NOT BE PROHIBITED BY THIS PARAGRAPH.

18.3. Limitation of Damages. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY OUR CUMULATIVE LIABILITY FOR ALL LOSSES, CLAIMS, SUITS, CONTROVERSIES, BREACHES OR DAMAGES FOR ANY CAUSE WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, THOSE ARISING OUT OF OR RELATED TO THIS AGREEMENT) AND REGARDLESS OF THE FORM OF ACTION OR LEGAL THEORY SHALL NOT EXCEED, (I) \$50,000; OR (II) THE AMOUNT OF FEES RECEIVED BY PAYMENT WORLD PURSUANT TO THE AGREEMENT FOR SERVICES PERFORMED IN THE IMMEDIATELY PRECEDING 12 MONTHS, WHICHEVER IS LESS.

18.4. Limitation of Damages for Delay. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, OUR LIABILITY FOR ANY DELAY IN FUNDING TRANSACTIONS TO YOU FOR ANY REASON WILL BE LIMITED TO INTEREST COMPUTED FROM THE DATE THAT YOU SUBMIT THE TRANSACTION TO THE DATE THAT WE FUND THE TRANSACTION AT THE FED RATE, AS ESTABLISHED BY THE FEDERAL RESERVE BOARD FROM TIME TO TIME, LESS ONE PERCENT (1%).

19. Assignments and Transfers

19.1. Assignment By You. Any transfer or assignment of this Agreement by You, without our prior written consent, by operation of law or otherwise, is voidable by Payment World. Furthermore, You shall indemnify and hold Payment World harmless from all liabilities, Chargebacks, expenses, costs, fees and fines arising from such transferee's or assignee's Submission of Card transactions to Payment World for processing. Any transfer of voting control shall be considered an assignment or transfer of the Agreement.

19.2. Obligation to Maintain Account. The payment of services provided by Payment World require access to a single bank account in which We may initiate both Credits and debits. You may not enter into any agreement that would require, in any circumstance or event, the transfer of any payments or proceeds from Credit Card transactions covered by this Agreement to the custody or control of any third party.

19.3. Assignments By You Strictly Prohibited. You may not assign any rights, including the right of payment under this Agreement, to any other person. In the event that You make an assignment (or provide a security interest) of receivables covered by this Agreement, then We may, at our option, elect to (a) refuse to acknowledge such assignment unless accompanied by an Authorization to both initiate debits or Credits to the bank account of the assignee, (b) terminate this Agreement immediately, or (c) charge for any transfers that We are called upon to make manually to fulfill such an assignment at the rate of \$100 per transfer.

19.4. Assignment of Bank. With the express written consent of Bank, another Visa and MasterCard member may be substituted for Bank under whose sponsorship this Agreement is performed with respect to Visa and MasterCard transactions. Upon substitution, such other Visa and MasterCard member shall be responsible for all obligations required of Bank for Visa and MasterCard transactions, including without limitation, full responsibility for its bank Card program and such other obligations as may be expressly required by applicable Association Rules.

19.5. Assignment By Payment World. Subject to Association Rules, We may assign or transfer this Agreement and our rights and obligations hereunder and/or may delegate our duties hereunder, in whole or in part, to any third party, whether in connection with a change in sponsorship, as set forth in the preceding sentence, or otherwise, without notice to You or your consent.

20. Termination

20.1. By Payment World With Notice. Notwithstanding the above or any other provisions of this Agreement, We may terminate this Agreement at any time and for any reason by providing 30 days' advance notice to you.

20.2. By Payment World for Default. We may terminate this Agreement immediately or with shorter notice upon an Event of Default. Following any such termination, Merchant specifically acknowledges and agrees that Bank and/or Payment World may place

You on the Terminated Merchant File (or any equivalent file or list) maintained by the Associations.

20.3. By You Due To Fees. In the event We provide notice to You pursuant to Section 15.4 of an increase in the fees for Services You may terminate this Agreement without further cause or penalty by providing Payment World thirty (30) days advance written notice of termination. You must terminate within thirty (30) days after We provide notice of the fee increase. The fee increase shall not take effect in the event You provide timely notice of termination. However, your continued use of our Services after the effective date of any increase shall be deemed acceptance of the increased fees for Services, throughout the term of this Agreement.

21. Event of Default

21.1. Generally. If an event occurs as defined in this section ("Event of Default"), You shall be deemed to be in default and Payment World, may, terminate the Agreement and You may be subject to an ETF. The following prohibited acts, in addition to other conduct and/or events described herein, shall be considered an Event of Default.

21.1.1. You shall not do any of the following:

- (a) Establish a minimum on debit cards or greater than \$10.00 on credit cards or maximum dollar Transaction amount;
- (b) Obtain multiple Authorizations for amounts less than the total sale amount;
- (c) Obtain Authorization for the purpose of setting aside the Cardholder's credit line for use in future sales;
- (d) Extend credit for or defer the time of payment of the total cash price in any Transaction;
- (e) Honor a Card except in a Transaction where a total cash price is due and payable;
- (f) Make any special charge to or extract any special agreement or security from any Cardholder in connection with any Transaction;
- (g) Transmit or accept payment for any Transaction that was not originated directly between Merchant and a Cardholder for the sale or lease of goods or the performance of services of the type indicated in the Merchant Application form to which this Agreement is attached;
- (h) Honor or accept a Card as payment for any legal services or expenses arising out of or related to: (i) any domestic relations matter where such services or expenses are furnished to a person whose name is not embossed on a Card; or (ii) any bankruptcy, insolvency, compromise, composition or other process affecting Cardholder's creditors;
- (i) Use Merchant's own Card, or one to which Merchant has access, to process a Transaction for the purpose of obtaining credit for Merchant's own benefit;
- (j) Re-process any Transaction that was previously charged back to Bank and subsequently returned to Merchant, irrespective of Cardholder approval;
- (k) Initiate a Transaction credit without a preceding debit at least equal to the credit;
- (l) Initiate a Transaction credit without a balance in the Operating Account at least equal to the credit;
- (m) Use the Equipment or any data received thereon for any other purpose other than for determining whether or not Merchant should accept checks or Cards in connection with a current sale or lease of goods or services;
- (n) Use the Equipment or any data received thereon for credit inquiry purposes or any other purpose not authorized by this Agreement;
- (o) Draw or convey any inference concerning a person's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living when any Card or check is processed as non-accepted;
- (p) Disclose any information obtained through the Equipment to any person except for necessary disclosures to affected Cardholders, Bank and/or the Issuer;
- (q) Disburse funds in the form of travelers cheques, if the sole purpose is to allow the Cardholder to make a cash purchase of goods or services from Merchant;
- (r) Disburse funds in the form of cash;
- (s) Accept a Credit Card to collect or refinance an existing debt (whether originally owed to Merchant or otherwise) that is

considered uncollectible (for example, payments to a collection agency or attempts to recover funds for a dishonored check);

- (t) Issue a Transaction credit in respect of goods or services acquired in a cash transaction which are returned;
- (u) Make any cash refund to a Cardholder who has made a purchase with a credit Card (all Transaction credits shall be issued to the same credit Card account number used in the sale);
- (v) Require a Cardholder to complete a postcard or similar device that includes the Cardholder's account number, Card expiration date, signature or any other Card account data in plain view when mailed;
- (w) Process a Transaction that represents collection of a dishonored check;
- (x) Accept a Card for the purchase of Scrip (as defined by applicable VISA regulations);
- (y) Accept any payment directly from a Cardholder for previous Card charges incurred and processed by Merchant;
- (z) Require, through an increase in price or otherwise, any Cardholder to pay any surcharge in connection with any Transaction or to pay any part of any charge imposed on Merchant by Bank except, in either case, as expressly permitted by, and under terms and conditions that comply in full with, Applicable Law;
- (aa) Create any circumstance or do any thing that causes harm or loss to the goodwill of the Visa or MasterCard system.

21.2. Defined. An Event of Default includes:

21.2.1. A material adverse change in your business, financial condition, business procedures, prospects, products or services; or

21.2.2. Any assignment or transfer of voting control of You or your parent; or

21.2.3. A sale of all or a substantial portion of your assets; or

21.2.4. Irregular Card sales by you, excessive Chargebacks, noncompliance with any applicable data security standards, as determined by Servicers, of any Card Association, or any other entity, or an actual or suspected data security breach, or any other circumstances which, in our sole discretion, may increase our exposure for your Chargebacks or otherwise present a financial or security risk to Us; or

21.2.5. Any of your representations or warranties in this Agreement are breached in any material respect or are incorrect in any material respect when made or deemed to be made; or

21.2.6. You shall default in any material respect in the performance or observance of any term, covenant, condition or agreement contained in this Agreement, including, without limitation, the establishment or maintenance of funds in a Reserve Account; or

21.2.7. You shall default in any material respect in the performance or observance of any term, covenant or condition contained in any agreement with any of our affiliates; or

21.2.8. You shall default in the payment when due, of any material indebtedness for borrowed money; or

21.2.9. You shall file a petition or have a petition filed by another party under the Bankruptcy Code or any other laws relating to bankruptcy, insolvency or similar arrangement for adjustment of debts; consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such laws; apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of a substantial part of its property; or make a general assignment for the benefit of creditors; or take any corporate action for the purpose of authorizing any of the foregoing; or

21.2.10. Your independent certified accountants shall refuse to deliver an unqualified opinion with respect to your annual financial statements and your consolidated subsidiaries; or

21.2.11. A violation by You of any applicable law or Association Rule or our reasonable belief that termination of this Agreement or suspension of Services is necessary to comply with any law including without limitation the rules and regulations promulgated by the Office of Foreign Assets Control of the Payment World Department of the Treasury or your breach, as determined by Servicers, of Third Party Agreements ("Compliance with Laws").

21.3. Event of Default and Immediate Termination. Upon the

occurrence of an Event of Default specified in subsections 21.2.4, 21.2.9 or 21.2.11, We may consider this Agreement to be terminated immediately, without notice, and all amounts payable hereunder shall be immediately due and payable in full without demand or other notice of any kind, all of which are expressly waived by You.

21.4. Event of Default and Termination. If any other Event of Default occurs other than specified in 21.3., this Agreement may be terminated by Payment World giving at least 10 days notice to You, and upon such notice all amounts payable hereunder shall be due and payable on demand.

21.5. Obligations to Perform Remain. Neither the expiration nor termination of this Agreement shall terminate the obligations and rights of the parties pursuant to provisions of this Agreement that by their terms are intended to survive or be perpetual or irrevocable. Such provisions shall survive the expiration or termination of this Agreement. All obligations by You to pay or reimburse Payment World for any obligations associated with transactions You have submitted to Payment World are intended to survive termination of this Agreement.

21.6. Cumulative Remedies for Event of Default. If any Event of Default shall have occurred and regardless of whether such Event of Default has been cured, we may, in our sole discretion, exercise all of our rights and remedies under applicable law, and this Agreement.

21.7. Continued Services After Filing Bankruptcy. In the event You file for protection under the Bankruptcy Code or any other laws relating to bankruptcy, insolvency, assignment for the benefit of creditors or similar laws, and You continue to use our Services, it is Your responsibility to open new accounts to distinguish pre and post filing obligations. You acknowledge that as long as You utilize the accounts You established prior to such filing, We will not be able to systematically segregate your post-filing transactions or prevent set-off of the pre-existing obligations. In that event, You will be responsible for submitting an accounting supporting any adjustments that You may claim.

21.8. Notice of Termination List. The Associations often maintain lists of merchants who have had their Merchant Agreements or Card Acceptance rights terminated for cause. If this Agreement is terminated for cause, You acknowledge that We may be required to report your business name and the names and other information regarding its principals to the Associations for inclusion on such list(s). You expressly agree and consent to such reporting if You are terminated as a result of the occurrence of an Event of Default or for any reason specified as cause by Visa, MasterCard or Discover Network. Furthermore, You agree to waive and hold Payment World harmless from and against any and all claims that You may have as a result of such reporting.

21.10. Liability for Chargebacks, etc. After Termination. After termination of this Agreement for any reason whatsoever, You shall continue to bear total responsibility for all Chargebacks, fees, Credits and adjustments resulting from Card transactions processed pursuant to this Agreement and all other amounts then due or which thereafter may become due under this Agreement.

22. Reserve Accounts

22.1. Establishment of Reserve Account. You expressly authorize Bank and/or Payment World to establish a Reserve Account pursuant to the terms and conditions set forth in this Section 22.

22.2. Amount of Reserve Account. The amount of the Reserve Account is set at the sole discretion of Bank and/or Payment World, based upon your processing history and the potential risk of loss to Payment World as Bank and/or Payment World may determine from time to time.

22.3. Obligation to Fund Reserve Account. The Reserve Account shall be fully funded upon three (3) days notice to you. However, in instances of fraud or suspected fraud or an Event of Default, Reserve Account We may fund the amount necessary immediately.

22.4. Manner of Funding Reserve Account. The Reserve Account may be funded by all or any combination of the following: (i) one or more debits to your Settlement Account or any other accounts held by Bank or any of its affiliates, at any financial institution vested in Your name, any of its principals, or any of its guarantors, or if any of same are authorized signers on such account; (ii) any payments otherwise due to you; (iii) your delivery to Payment World of a letter of credit; or (iv) if We so agree, your pledge to Payment World of a freely transferable and negotiable certificate of deposit. Any such letter of

credit or certificate of deposit shall be issued or established by a financial institution acceptable to Payment World and shall be in a form satisfactory to Payment World. In the event of termination or expiration of this Agreement by any party, an immediate Reserve Account may be established without notice in the manner provided above.

22.5. Holding of Reserve Account. Any Reserve Account will be held by Bank and/or Payment World for the greater of ten (10) months after termination or expiration of this Agreement or for such longer period of time as is consistent with our liability for Card transactions and Chargebacks in accordance with Association Rules. Your funds will be held in an account commingled with reserve funds of our other Clients, without involvement by an independent escrow agent. Unless specifically agreed in writing by Bank and/or Payment World or specifically required by applicable law, funds held by Bank and/or Payment World in a Reserve Account shall not accrue interest. Notwithstanding the foregoing, We shall be entitled to accrued interest on any such funds held.

22.6. Insufficient Funds for Reserve Account. If your funds in the Reserve Account are not sufficient to cover the Chargebacks, adjustments, fees and other charges due from you, or if the funds in the Reserve Account have been released, You agree to promptly pay Bank and/or Payment World such sums upon request.

22.7. Security Interest in Reserve Account. To secure your obligations to Servicers and our affiliates under this Agreement (including any obligations for which payments on account of such obligations are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy act, state or federal law, common law or equitable cause), You grant to Servicers a first priority lien and security interest in and to (i) the Reserve Account and (ii) any of your funds pertaining to the Card transactions contemplated by this Agreement now or hereafter in the possession of Servicers, whether now or hereafter due or to become due to You from Servicers.

22.8. Management of Funds. Any such funds, money or amounts now or hereafter in the possession of Servicers may be commingled with other funds of Servicers, or, in the case of any funds held pursuant to the foregoing paragraphs, with any other funds of other customers of Servicers. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, Servicers are hereby authorized by You at any time and from time to time, without notice or demand to You or to any other person (any such notice and demand being hereby expressly waived), to set off, recoup and to appropriate and to apply any and all such funds against and on account of your obligations to Servicers and their affiliates under this Agreement and any other agreement with Servicers or any of Servicers' affiliates for any related equipment or related services (including any check services), whether such obligations are liquidated, unliquidated, fixed, contingent, matured or unmatured.

22.9. Obligation to Execute Documents. You agree to duly execute and deliver to Servicers such instruments and documents as Servicers may reasonably request to perfect and confirm the lien, security interest, right of set off, recoupment and subordination set forth in this Agreement.

22.9.1. To the extent funds are held in a separate Reserve Account, the Reserve Account shall be subject to (i) Servicers' security interest pursuant to this subsection 22.9.1, and (ii) an account control agreement (as defined by the applicable sections of the Uniform Commercial Code, hereinafter referred to as "Control Agreement") among you, the institution at which the Reserve Account is held (such institution hereinafter referred to as "Settlement Account") and Servicers (such investment account hereinafter referred to as the "Control Account"). The Control Agreement shall be in form and substance satisfactory to Servicers. The Settlement Account shall be a National Association bank which is mutually acceptable to You and Servicers.

22.9.2. For sake of clarification and notwithstanding anything in the Agreement to the contrary, in the event Servicers deduct, holdback, suspend, off set or set off (collectively "Set Off Funds") any settlement monies or amounts otherwise due You pursuant to the terms of this Agreement, You acknowledge that such Set Off Funds will be held in a commingled Reserve Account (s) of Servicers (as described in subsection 22.9.1) unless such Set Off Funds are wired or deposited by Servicers into any Control Account, pursuant to a Control Agreement in which case Servicers will transfer Set Off Funds from their commingled Reserve Account(s) to the Control Account as soon as practicable using commercially reasonable efforts.

22.9.3. If in replacement of or in addition to the first priority lien
vPW1505

and security interest in the Reserve Account, You grant to Servicers a first priority lien and security interest in and to one or more certificates of deposit, the certificates of deposit shall be uncertificated and shall be subject to an Acknowledgement of Pledge of Certificate of Deposit and Control Agreement (the "Certificate of Deposit Control Agreement") by, between and among Customers, Servicers and the financial institution that has established and issued the certificate of deposit. The form of the Certificate of Deposit Control Agreement and the financial institution that will establish and issue the certificate of deposit shall be satisfactory and acceptable to Servicers.

23. Financial Information

23.1. Obligation to Provide. Upon request, You will provide Payment World quarterly financial statements within 45 days after the end of each fiscal quarter and annual audited financial statements within 90 days after the end of each fiscal year. Such financial statements shall be prepared in accordance with generally accepted accounting principles. You will also provide such other financial statements and other information concerning your business and your compliance with the terms and provisions of this Agreement as We may reasonably request. You authorize Payment World to obtain from third parties financial and credit information relating to You in connection with our determination whether to accept this Agreement and our continuing evaluation of the financial and credit status of you. We may also access and use information that You have provided to Bank for any other reason. Upon request, You shall provide to Payment World or our representatives reasonable access to your facilities and records for the purpose of performing any inspection and/or copying of your books and/or records deemed appropriate. In such event, You shall pay the costs incurred by Payment World for such inspection, including, but not limited to, costs incurred for airfare and hotel accommodations.

23.2. Reporting Judgment, etc. You will provide Payment World with written notice of any judgment, writ, warrant of attachment, execution or levy against any substantial part (25% or more in value) of your total assets not later than three (3) days after You become aware of same.

24. Indemnification.

24.1. Your Indemnification. You agree to indemnify and hold Payment World and Bank harmless from and against all losses, liabilities, damages and expenses: (a) resulting from any breach of any warranty, covenant or agreement or any misrepresentation by You under this Agreement; (b) arising out of your or your employees' or your agents' negligence or willful misconduct, in connection with Card transactions or otherwise arising from your provision of goods and services to Cardholders; (c) arising out of your use of our Service; or (d) arising out of any third party indemnifications We are obligated to make as a result of your actions (including indemnification of any Association or Issuer).

24.2. Payment World's Indemnification. Subject to Section 18.3, we agree to indemnify and hold You harmless from and against all losses, liabilities, damages and expenses resulting from any breach of any warranty, covenant or agreement or any misrepresentation by Payment World under this Agreement or arising out of our or our employees' gross negligence or willful misconduct in connection with this Agreement. This indemnity obligation shall not apply to Bank with respect to Discover Network Card Transactions, American Express Card Transactions and Other Services, including JCB Card, PIN Debit Card, and Electronic Benefits Transfer Transactions, and Transactions involving Cards from other Non-Bank Card Associations such as Voyager Fleet Systems, Inc., Wright Express Corporation and Wright Express Financial Services Corporation.

25. Non-Bank Card Transactions

25.1. Generally. Non-Bank Card transactions are provided to You by Payment World and not by Bank. Bank is not a party to this Agreement insofar as it relates to Non-Bank Card services, and Bank is not liable to You in any way with respect to such services. For the purposes of this section, the words "we," "our," and "us" refer only to the Payment World and not to the Bank. You authorize Payment World to share information from your Application with American Express, JCB, or any other Non-Bank Card Association.

25.2. American Express. You understand that American Express transactions are processed, authorized and funded by American Express. American Express will provide You with its own agreement that governs those transactions. You understand and agree that we are not responsible and assume absolutely no liability with regard to any such transactions, including but not limited to the funding and settlement of American Express transactions, and that American Express will

charge additional fees for the services they provide.

25.3. JCB Cards. If You accept JCB Cards, You must securely retain original JCB Sales Drafts and JCB Credit Drafts for a period of at least 120 days from the date of the JCB Card transaction and You must retain microfilm or legible copies of JCB Sales Drafts and JCB Credit Drafts for a period of at least three (3) years following the date of the transaction. You agree to be bound by JCB rules. You also agree to be bound by all other provisions of this Agreement that are applicable to JCB.

25.4. WEX Cards. If You accept WEX Cards, You agree to be bound by the WEX rules. You also agree to be bound by all other provisions of this Agreement that are applicable to WEX. If You execute a WEX Merchant Agreement, You understand that we will provide such agreement to WEX, but that neither we nor WEX shall have any obligation whatsoever to You with respect to processing WEX Cards unless and until WEX executes your WEX Merchant Agreement. If WEX executes your WEX Merchant Agreement and You accept WEX Cards, You understand that WEX transactions are processed, authorized and funded by WEX. You understand that WEX is solely responsible for all agreements that govern WEX transactions and that we are not responsible and assume absolutely no liability with regard to any such agreements or WEX transactions, including but not limited to the funding and settlement of WEX transactions. You understand that WEX will charge additional fees for the services that it provides.

25.5. Voyager Cards. If You accept Voyager Cards, You agree to be bound by the Voyager rules. You also agree to be bound by all other provisions of this Agreement that are applicable to Voyager. You should check Fleet Cards for any printed restrictions at the point of sale. You shall establish a fair policy for the exchange and return of merchandise. You shall promptly submit credits to Payment World for any returns that are to be credited to a Voyager Cardholder's account. Unless required by law, You shall not give any cash refunds to any Voyager Card holder in connection with a sale. The following information must be contained on the single page document constituting the Sales Draft for Voyager transactions:

- Time of transaction
- Type of fuel sold
- As permitted by the applicable POS device, odometer reading
- For all cashier-assisted Sales Drafts and credit vouchers processed manually using a card Imprinter if required, the identification number

If an increase in the number of Voyager transaction authorization calls from You not due to our or Voyager system outages in excess of 15% for a given month as compared to the previous month occurs, we may, in our discretion, deduct telephone charges, not to exceed \$.25 (25 cents) per call, for the increased calls, from your settlement of your Voyager transactions.

Settlement of Voyager transactions will generally occur by the fourth banking day after we process the applicable card transactions. We shall reimburse You for the dollar amount of sales submitted for a given day by you, reduced by the amount of Chargebacks, tax exemptions, discounts, credits, and the Fees set forth in the Service Fee Schedule Addendum. Neither we nor Voyager shall be required to reimburse You for sales submitted more than sixty (60) days from the date of purchase.

For daily transmission of sales data, You shall maintain true and complete records in connection with the information required to be provided under this paragraph for a period of not less than thirty-six (36) months from the date of the generation of the data. You may store records on electronic media. You are responsible for the expense of retaining sales data records and Sales Drafts.

Chargebacks shall be made in accordance with this Agreement and any other Voyager rules. Notwithstanding termination or expiration of this paragraph or the Agreement, You shall remain liable for all outstanding Chargebacks on Voyager transactions.

In further limitation of Section 18.3, in no event shall our cumulative liability to You for losses, claims, suits, controversies, breaches or damages for any cause whatsoever in connection with Voyager transactions exceed the lesser of \$10,000.00 or the Voyager transaction fees paid by You to Payment World for the two months prior to the action giving rise to the claim.

Notwithstanding anything in this Agreement to the contrary, our obligation to provide services to You relating to any Fleet Card will terminate automatically without penalty to Payment World or the related Association upon the earlier of (i) the termination or expiration of our agreement with such Association, (ii) at least twenty (20) days

prior written notice by Payment World to you; (iii) your failure to comply with material terms relating to such Fleet Card transactions, or (iv) written notice, if an Association discontinues its Card.

26. Requirements for Card Transactions

When PIN Is Entered By The Cardholder

26.1. PIN Debit Card Acceptance. Examine the back of the PIN Debit Card to determine if the Card participates in a network that You are authorized to accept. Network mark(s) are usually printed on the back of the Card. If the PIN Debit Card is valid and issued by a participating network, You must comply with the following general requirements for all participating networks, in addition to the specific requirements of the network:

- You may not complete a PIN Debit Card transaction without entry of the PIN. The PIN must be entered into the PIN pad only by the Cardholder. You cannot accept the PIN from the Cardholder verbally or in written form.
- You must honor all valid PIN Debit Cards when presented that bear authorized network marks.
- You must treat transactions by Cardholders from all Issuers in the same manner.
- You may not establish a minimum or maximum transaction amount for PIN Debit Card acceptance.
- You may not require additional information, besides the Personal Identification Number, for the completion of the transaction unless the circumstances appear suspicious. A signature is not required for PIN Debit Card transactions.
- You shall not disclose transaction related information to any party other than your agent, a network, or issuing institution and then only for the purpose of settlement or error resolution.
- You may not process a Credit Card transaction in order to provide a refund on a PIN Debit Card transaction.

26.2. Transaction Processing. The following general requirements apply to all PIN Debit Card transactions:

- All PIN debit transactions must be authorized and processed electronically. There is no Voice Authorization or Imprinter procedure for PIN Debit Card transactions.
- You may not complete a PIN Debit Card transaction that has not been authorized. If You cannot obtain an Authorization at the time of sale, You should request another form of payment from the customer or process the transaction as a Store and Forward or Resubmission, in which case You assume the risk that the transaction fails to authorize or otherwise declines. The Cardholder should be instructed to contact the Issuer to find out why a transaction has been declined.
- The PIN Debit Network used to process your transaction will depend upon, among other things, the availability of the network at the time of the transaction, whether a particular PIN Debit Card is enabled for a particular network and the routing requirements established by the networks and the card issuers. We may, at our sole discretion, utilize any PIN Debit Network available to Payment World for a given transaction.
- You must issue a receipt to the Cardholder upon successful completion of a trans- action. The Cardholder account number must be masked so that only the last four digits will appear. The masked digits must appear as a non-numeric character such as an asterisk. This is referred to as PAN truncation.
- You may not manually enter the account number. The account number must be read electronically from the Magnetic Stripe. If the Magnetic Stripe is unreadable, You must request another form of payment from the customer.
- Any applicable tax must be included in the total transaction amount for which Authorization is requested. Tax may not be collected separately in cash. • You ARE RESPONSIBLE TO SECURE YOUR TERMINALS AND TO INSTITUTE APPROPRIATE CONTROLS TO PREVENT EMPLOYEES OR OTHERS FROM SUBMITTING REFUNDS AND VOIDS THAT DO NOT REFLECT BONA FIDE RETURNS OR REIMBURSEMENTS OF PRIOR TRANSACTIONS.

26.3. Cash Back From Purchase. You have the option of offering cash back to your customers when they make a PIN Debit Card purchase. You may set a minimum and maximum amount of cash back that You will allow. If You are not now offering this service, your terminal may require additional programming to begin offering cash

back.

26.4. Settlement. Within one Business Day of the original transaction, You must balance each location to the system for each Business Day that each location is open.

26.5. Adjustments. An adjustment is a transaction that is initiated to correct a PIN Debit Card transaction that has been processed in error. You will be responsible for all applicable adjustment fees that may be charged by a Debit Card network. Some networks may have established minimum amounts for adjustments.

There are several reasons for adjustments being initiated:

- The Cardholder was charged an incorrect amount, either too little or too much.
- The Cardholder was charged more than once for the same transaction.
- A processing error may have occurred that caused the Cardholder to be charged even though the transaction did not complete normally at the point of sale.

All parties involved in processing adjustments are regulated by time frames that are specified in the operating rules of the applicable Debit Card network, The Electronic Funds Transfer Act, Regulation E, and other applicable law.

27. EBT Transaction

27.1. Parties Involved Do Not Include Bank. EBT Transactions are provided to You by Payment World and not by Bank. Bank is not a party to this Agreement insofar as it relates to EBT Transactions, and Bank is not liable to You in any way with respect to such services. For the purposes of this section, the words “we,” “our,” and “us” refer only to Payment World and not to the Bank.

27.2. Maintaining Adequate Cash On Hand. If You have agreed to issue Cash Benefits and will provide cash back or cash only transactions, You agree to maintain adequate cash on hand to issue confirmed Cash Benefits and will issue Cash Benefits to EBT customers in the same manner and to the same extent cash is provided to your other customers. You may not require that any EBT customers purchase goods or services as a condition to receiving Cash Benefits, unless such condition applies to other customers as well. You may not designate special checkout lanes restricted to use by EBT customers unless You also designate special checkout lanes for debit or Credit Cards and/or other payment methods.

27.3. Acceptance of EBT Benefits. You agree to issue benefits to EBT customers in accordance with the procedures specified in all documentation provided to You by Payment World, as amended from time-to-time and pursuant to all applicable law, rules and regulations. You must provide each EBT customer a receipt for each EBT transaction.

You will issue EBT benefits to EBT customers, in accordance with our then current procedures, in the amount authorized through a point-of-sale terminal, with personal identification number pad and printer. In the event of an equipment failure, You must comply with applicable procedures regarding manual voucher authorization. You must also comply with the procedures set forth in the Quest Operating Rules, as amended from time-to-time, issued by the National Automated Clearing House Association and approved by the Financial Management Service of the U.S. Treasury Department, and any additional rules, regulations and procedures specified by any additional state or federal government or agency regarding lost EBT Cards, forgotten PINs, discrepancies in benefits authorized and similar matters by referring EBT customers to their applicable EBT customer service center.

You may not accept any EBT Card for any purpose other than the acceptance of benefits, including without limitation acceptance of any EBT Card as security for repayment of any customer obligation. In the event of any violation of this provision, You will be obligated to reimburse the applicable state or Payment World for any benefits unlawfully received. Cash should never be dispensed for Food Stamp Benefits.

27.4. Manual EBT Vouchers. All manual voucher authorizations must be cleared on your POS terminal for payment of voucher to be made to you. Vouchers must be cleared within 10 Business Days of voice authorization. Vouchers cannot be cleared by any manner except by your POS terminal therefore You should never mail vouchers requesting payment. If a voucher expires before it has been cleared by your POS for payment, no further action can be taken to obtain payment for the voucher. You must not attempt to voice authorize a manual EBT transaction if the EBT customer is not present to sign the voucher. A copy of the voucher should be given to the EBT customer at

the time of authorization and You should retain one copy for your records.

27.5. Acceptance of EBT Cash Benefits. If You have agreed to issue Cash Benefits and will provide cash back or cash only transactions, You agree to comply with all applicable laws, rules and regulations and maintain adequate cash on hand to issue confirmed Cash Benefits and will issue Cash Benefits to EBT customers in the same manner and to the same extent cash is provided to your other customers. You may not require that any EBT customers purchase goods or services as a condition to receiving Cash Benefits, unless such condition applies to other customers as well. You may not designate special checkout lanes restricted to use by EBT customers unless You also designate special checkout lanes for debit or Credit Cards and/or other payment methods.

27.6. Interoperability. If You issue EBT benefits (Food Stamps and/or Cash Benefits), You must issue EBT benefits from EBT customers from all states.

27.7. Required Licenses. If You issue benefits under this Agreement, You represent and warrant to Payment World that You are properly authorized to enter such transactions and are not currently disqualified or withdrawn from redeeming food stamp coupons or otherwise disqualified or withdrawn by any applicable agency. You agree to secure and maintain at your own expense all necessary licenses, permits, franchises, or other authorities required to lawfully effect the issuance and distribution of benefits under this Agreement, including without limitation, any applicable franchise tax certificate and non-governmental contractor's certificate, and covenant that You will not issue benefits at any time during which You are not in compliance with the requirements of any applicable law.

27.8. Term and Termination. If You are disqualified or withdrawn from the food stamp program, your authority to issue benefits will be terminated contemporaneously therewith. Such disqualification or withdrawal will be deemed a breach of this Agreement with respect to your authority to issue Cash Benefits and, in the event of such disqualification, we shall have the right to immediately terminate the provision of service under this Section 27.8 or the Agreement in its entirety. With respect to the issuance of Cash Benefits only, your authority to issue Cash Benefits may be suspended or terminated immediately at the sole discretion of us, the state or its EBT service provider, effective upon delivery of a notice of suspension or termination specifying the reasons for such suspension or termination if there shall be (i) any suspension, injunction, cessation, or termination of the EBT service provider's authority to provide EBT services to the state; (ii) failure by you, upon not less than thirty (30) days prior written notice, to cure any breach by You of the provisions of these terms and conditions, including without limitation, your failure to support the issuance of benefits during your normal business hours consistent with your normal business practices, your failure to comply with issuance procedures, impermissible acceptance of an EBT Card, or your disqualification or withdrawal from the food stamp program; or (iii) based on a state's or its EBT service provider's investigation of the relevant facts, evidence that You or any of your agents or employees are committing, participating in, or have knowledge of fraud or theft in connection with the dispensing of benefits. In the event You fail to cure any breach as set forth above, You may appeal such suspension or termination to the applicable state for determination in its sole discretion.

In the event that your authority to accept benefits is suspended or terminated by a state or its EBT service provider, and You successfully appeal such suspension or termination to the state or its EBT service provider, we shall be under no obligation to reinstate the services previously provided. The provision of services under this Section 27.8 shall terminate automatically in the event that our Agreement or our service provider's agreement with any applicable state's EBT service provider terminates for any reason.

27.9. Confidentiality of EBT System Information. All information related to EBT recipients and/or the issuance of benefits shall be considered confidential information.

Individually identifiable information relating to a benefit recipient or applicant for benefits will be held confidential and will not be disclosed by You or your directors, officers, employees or agents, without prior written approval of the applicable state.

The use of information obtained by You in the performance of your duties under this Section 27.9 will be limited to purposes directly connected with such duties.

27.10. EBT Service Marks. You will adequately display any applicable state's service marks or other licensed marks, including the Quest mark, and other materials supplied by Payment World

(collectively the "Protected Marks") in accordance with the standards set by the applicable state. You will use the Protected Marks only to indicate that benefits are issued at your location(s) and will not indicate that we, any state or its EBT service provider or we endorses your goods or services. Your right to use such Protected Marks pursuant to this Agreement will continue only so long as this Agreement remains in effect or until You are notified by us, any state or its EBT service provider to cease their use or display.

27.11. Miscellaneous

27.11.1. Amendments. If any of these terms and conditions are found to conflict with federal or state law, regulation or policy of the rules, these terms and conditions are subject to reasonable amendment by a state or its EBT service provider to address such conflict upon twenty (20) days written notice to You provided that You may, upon written notice, terminate your obligation under this Section 27 upon receipt of notice of such amendment.

27.11.2. State Action. Nothing contained herein shall preclude a state from commencing appropriate administrative or legal action against You or for making any referral for such action to any appropriate federal, state, or local agency.

28. Wireless Transactions.

28.1. Generally. You may elect to use existing equipment owned by You to process transactions, provided that such equipment is compliant with all VISA, Mastercard and Discover regulations. If You elect to purchase any Wireless Equipment from Payment World as indicated on the Application, then the following terms and conditions of this Section 28, referred to as the Wireless Services Terms, shall apply. THE WIRELESS SERVICES ARE NOT BEING SOLD TO YOU FOR HOME OR PERSONAL USE. Sale of Wireless Services is made by Payment World and not the Bank. Bank is not a party to this Agreement insofar as it relates to Wireless Services, and Bank is not liable to You in any way with respect to such services. For the purposes of this section, the words "we," "our," and "us" refer only to Payment World and not to the Bank.

Through our affiliates, we have acquired the right to resell and sublicense certain wireless POS Terminals and accessories (the "Wireless Equipment") and wireless data communication services using radio base stations and switching offered by the various cellular telephone and data networks throughout the country (the "Wireless Networks") in order to allow You to capture and transmit to Payment World certain wireless Credit and Debit Card Authorization transactions or to transmit other communications to our system.

You acknowledge that one or more independent third party vendors ("Wireless Vendor(s)") has developed and provides the Wireless Equipment and Wireless Services to Payment World through our affiliates under separate agreement(s).

In the event You elect to purchase voice and/or data services directly from a third party provider for use with the Wireless Equipment as permitted by Payment World, You acknowledge and agree that the Agreement does not address or govern those voice and/or data services or your relationship with that third party provider, and Servicers are in no way responsible for providing, maintaining, servicing or supporting such third party voice and/or data services.

28.2. Purchase of Wireless Services. In connection with your purchase of Wireless Equipment, You will purchase the Wireless Networks' service and obtain sublicenses to use any Wireless Software (as defined in Section 28.3) associated therewith (collectively "Wireless Services"). The prices that You will pay for the Wireless Services are set forth on the Service Fee Schedule.

- **Licenses.** You agree to obtain any and all licenses, permits or other authorizations required by the Federal Communications Commission ("FCC") or any other regulatory authority, if any, for the lawful operation of Wireless Equipment used by You in connection with your receipt of Wireless Services. You will promptly provide Payment World with all such information as we may reasonably request with respect to matters relating to the rules and regulations of the FCC.
- **Improvements / General Administration.** We and the Wireless Vendor(s) reserve the right to make changes, from time to time, in the configuration of the Wireless Services, Wireless Networks, Wireless Equipment, Wireless Software, rules of operation, accessibility periods, identification procedures, type and location of equipment, allocation and quantity of resources utilized, programming languages, administrative and operational algorithms and designation of the control center serving You at the particular address. In addition, we reserve the right to

schedule, from time to time, interruptions of service for maintenance activities.

28.3. Software Licenses. We hereby grant to You a non-exclusive, non-transfer- able limited sublicense to use any Wireless Software solely in connection with your purchase and use of the Wireless Services. As used in this Section 28.3, "Wireless Software" means all software used in, for or in connection with the Wireless Equipment, the Wireless Services or the access thereto in whatever form, including without limitation source code, object code and microcode, including any computer programs and any documentation relating to or describing the Wireless Software. You acknowledge that the only right You obtain to the Wireless Software is the right to use the Wireless Software in accordance with the terms in this Section.

28.4. Limitation on Liability. We shall have no liability for any warranties by any party with respect to uninterrupted Wireless Services, or for any third party's unauthorized access to Client's data transmitted through either the Wireless Equipment or Wireless Services, or Wireless Networks, regardless of the form of action (whether in contract, tort (including negligence), strict liability or otherwise). The foregoing notwithstanding, for any other liability arising out of or in any way connected with these Wireless Services terms, including liability resulting solely from loss or damage caused by partial or total failure, delay or nonperformance of the Wireless Services or relating to or arising from your use of or inability to use the Wireless Services, Payment World's, Bank's, and Vendor(s)' liability shall be limited to your direct damages, if any, and, in any event, shall not exceed the amount paid by You for the particular Wireless Services during any period of failure, delay, or nonperformance of the Wireless Services. In no event shall Servicers, Wireless Vendor(s) or our respective affiliates be liable for any indirect incidental, special or consequential damages. The remedies available to You under these Wireless Services Terms will be Your sole and exclusive remedies.

28.5. Indemnification. In addition to any other indemnifications as set forth in this Agreement, You will indemnify and hold Servicers, Vendor(s) and our respective officers, directors, employees, and affiliates harmless from against any and all losses, claims, liabilities, damages, costs or expenses arising from or related to: (a) the purchase, delivery, acceptance, rejection, ownership, possession, use condition, liens against, or return of the Wireless Services; (b) your negligent acts or omissions; (c) any breach by You of any of your obligations under this Section 30; or (d) any third party's unauthorized access to Client's data and/or unauthorized financial activity occurring on your Merchant Account Number hereunder, except to the extent any losses, liabilities, damages or expenses result from our gross negligence or willful misconduct.

28.6. Confidentiality. All information or materials which could reasonably be considered confidential or competitively sensitive that You access from or relate to either Vendor(s) or Servicers related to the subject matter of these Wireless Services Terms will be considered confidential information. You will safeguard our confidential information with at least the same degree of care and security that You use for your confidential information, but not less than reasonable care.

28.7. Termination. In addition to any other provision in this Agreement, the Wireless Services being provided under this Section 28 may terminate: a) Immediately upon termination of the agreement between Payment World (or our affiliates) and Vendor(s), provided that we will notify You promptly upon our notice or knowledge of termination of such agreement, provided further that if Vendor(s) loses its authority to operate less than all of the Wireless Services or if the suspension of any authority or non-renewal of any license relates to less than all of the Wireless Services, then these Wireless Services Terms will terminate only as to the portion of the Wireless Services affected by such loss of authority, suspension or non- renewal; or

b) Immediately if either we or our affiliates or Vendor(s) are prevented from providing the Wireless Services by any law, regulation, requirement, ruling or notice issued in any form whatsoever by judicial or governmental authority (including without limitation the FCC).

28.8. Effect of Termination. Upon termination of this Wireless Services Terms for any reason, You will immediately pay to Payment World all fees due and owing to Payment World hereunder. If these Wireless Services Terms terminates due to a termination of the agreement between Payment World or our affiliates and Vendor(s), then we may, in our sole discretion, continue to provide the Wireless Services through Vendor(s) to You for a period of time to be determined as long as You continue to make timely payment of fees due under these Wireless Services Terms.

28.9. Third Party Beneficiaries of Wireless Services . Our affiliates

and Vendor(s) are third party beneficiaries of these Wireless Services Terms and may enforce its provisions as if a party hereto.

28.10. Other Applicable Provisions. You also agree to be bound by all other terms and conditions of this Agreement.

28.11. Disclaimer. Wireless Services use radio transmissions, so Wireless Services can't be provided unless your Wireless Equipment is in the range of one of the available Wireless Networks' transmission sites and there is sufficient network capacity available at that moment. There are places, particularly in remote areas, with no service at all. Weather, topography, buildings, your Wireless Equipment, and other conditions we don't control may also cause failed transmissions or other problems. PAYMENT WORLD, BANK, AND VENDOR(S) DISCLAIM ALL REPRESENTATIONS AND WARRANTIES RELATING TO WIRELESS SERVICES. WE CANNOT PROMISE UNINTERRUPTED OR ERROR-FREE WIRELESS SERVICE AND DO NOT AUTHORIZE ANYONE TO MAKE ANY WARRANTIES ON OUR BEHALF.

29. Automated Clearing House

29.1. Generally. All payments to Client shall be through the Automated Clearing House ("ACH") and shall normally be electronically transmitted directly to the Settlement Account You have designated or any successor account designated to receive provisional funding of Client's Card sales pursuant to the Agreement. Client agrees that any Settlement Account designated pursuant to the preceding sentence will be an account primarily used for business purposes. Neither Bank, nor Payment World can guarantee the time frame in which payment may be credited by Client's financial institution where the Settlement Account is maintained. Your funds for MasterCard, Visa and Discover Network transactions will be processed and transferred to your financial institution within two (2) Business Days from the time a batch is received by Payment World if your financial institution is the Bank. If your financial institution is not the Bank, your MasterCard, Visa and Discover Network transactions will be processed via the Federal Reserve within two (2) Business Days from the time a batch is received by Payment World. The Federal Reserve will transfer such amounts to your financial institution.

29.2. Authorization. Client hereby authorizes Bank, and its authorized representative to access information from the DDA and to initiate credit and/or debit entries by bankwire or ACH transfer and to authorize your financial institution to block or to initiate, if necessary, reversing entries and adjustments for any original entries made to the DDA and to authorize your financial institution to provide such access and to credit and/or debit or to block the same to such account. This authorization is without respect to the source of any funds in the DDA, is irrevocable and coupled with an interest. This authority extends to any equipment rental or purchase agreements which may exist with Client as well as to any fees and assessments and Chargeback amounts of whatever kind or nature due to Payment World or Bank under terms of this Agreement whether arising during or after termination of the Agreement. This authority is to remain in full force and effect at all times unless and until Payment World and Bank have consented to its termination at such time and in such a manner as to afford them a reasonable opportunity to act on it.

29.3. Charges. Client shall be charged twenty-five dollars (\$25.00) for each ACH which cannot be processed, and all subsequent funding may be suspended until Client either (i) notifies Payment World that ACHs can be processed or (ii) a new electronic funding agreement is signed by Client. Client's Settlement Account must be able to process or accept electronic transfers via ACH.

29.4. Unqualified Transactions. If Client's MasterCard, Visa and Discover Network transaction(s) fail to qualify for the discount level contemplated in the rates set forth in the Application, Client will be billed the fee indicated in the Mid-Qualified Discount field or Non-Qualified Discount field. If You are utilizing the Enhanced Billback Discount option, the Client will be charged the Enhanced Billback Rate on the volume of said transaction that failed to qualify, in addition to the difference between the MasterCard / Visa / Discover Network Qualified Rate agreed to in the Service Fee Schedule and the actual interchange rate assessed to the downgraded transaction.

- a. Any increases or decreases in the interchange and/or assessment portion of the fees;
- b. The appropriate interchange level as is consistent with the qualifying criteria of each transaction submitted by Client;
- c. Increases in any applicable sales or telecommunications charges or taxes levied by any state, federal or local authority related to the delivery of the services provided by Payment

World when such costs are included in the Service or other fixed fees.

30.0 Fees

30.1. Calculation of Discount Fees. The discount fees shown in the Service Fee Schedule, shall be calculated based on the gross sales volume of all Visa, MasterCard and Discover volume.

30.2. Minimum Monthly Fees. A Monthly Minimum Processing Fee will be assessed immediately after the date Client's Application is approved. (Refer to the Service Fee Schedule, if applicable.)

30.3. Research Fees. At Payment World's sole discretion, You may also be charged a Chargeback Research Fee of fifty dollars (\$50.00) per chargeback. Payment World reserves the right to charge for and collect said fees up to and including termination of the Agreement.

30.4. Maintenance Fees Upon Termination. If after your account has terminated, You fail to instruct Payment World as to where to transmit funds that we are holding and that are due to you, we may deduct fifty dollars (\$50.00) associated with the maintenance of such funds on a monthly basis.

30.5. Additional Fees By Debit Network. In addition to the PIN Debit Card transaction fees set forth on the Application, Client shall be responsible for the amount of any fees imposed upon a transaction by the applicable debit network.

30.6. ETF. In the event the Agreement is terminated prior to its effective term:

30.6.1. Acknowledgment and Purpose of ETF. The parties agree and acknowledge that, in addition to any remedies contained herein or otherwise available under applicable law and, if (a) You break this Agreement by improperly terminating it prior to the expiration of the applicable term of the Agreement, or (b) this Agreement is terminated prior to the expiration of the applicable term due to an Event of Default, then Payment World will suffer a substantial injury that is difficult or impossible to accurately estimate. Accordingly, You agree to compensate Payment World for its reasonable anticipated losses under the Agreement.

30.6.2. Collection of ETF. The ETF shall be paid to Payment World within 10 days after Client's receipt of Payment World's demand for the amount due. You further agree that the ETF may be collected by way of the ACH settlement process in the same manner as it is used to effect debits or credits to your Settlement Account.

30.6.3. ETF Calculation. In the event Payment World is entitled to the ETF, You agree that the amount of the ETF shall be: (a) the average monthly processing fees charged to the You for the previous 12 months (or such shorter time if You have processed for less than 12 months) multiplied by the remaining months of the Agreement, or (b) \$1,000, whichever is greater. You acknowledge that the ETF is not a penalty to You but is an amount that You agree reasonably compensates Payment World for an early termination of the Agreement.

30.6.4. Dispute of ETF. You may dispute the ETF if Payment World terminates the Agreement within ten (10) days of notice that Payment World is claiming entitlement to an ETF. You agree that Your failure to dispute the ETF in a timely manner shall be deemed Your agreement to pay the amount of the ETF stated to You by Payment World. You further agree that if You terminate the Agreement early that Payment World shall have an absolute right to collect the ETF.

31. Health Care Transactions.

31.1 Preauthorized Health Care Program Requirements - U.S. Region

31.2 Preauthorized Health Care Transaction Order Form - U.S. Region

In the U.S. Region, a Cardholder that purchases services from a Health Care Merchant that accepts Preauthorized Health Care Transactions must provide a completed Order Form to the Merchant.

The Cardholder must specify at least the following on the Order Form:

- Request for the services to be charged to the Cardholder's account
- Authorization for the Health Care Merchant to charge the Cardholder's account for only that portion of the bill due subsequent to Merchant's receipt of any applicable insurance payment
- Duration of time, not to exceed one year, for which permission is granted

31.3 Health Care Merchant Requirements - U.S. Region

For Preauthorized Health Care Transactions in the U.S. Region, a

Health Care Merchant must:

- Retain a copy of the Order Form during the period it is in effect
- Provide a copy of the Order Form upon Issuer request for an original Transaction Receipt
- Type or print the words "PREAUTHORIZED HEALTH CARE" on the signature line of the Transaction Receipt
- Comply with the requirements of "Preauthorized Payment Cancellation Service Declined

31.4 Transaction Procedures" and "Preauthorized Transaction Decline Response - U.S. Region"

The Health Care Merchant must not complete a Preauthorized Health Care Transaction after receiving either

a:

- Cancellation notice from the Cardholder or its Acquirer
- Decline Response

Upon receipt of the notice of adjudication from the Cardholder's insurance company, the Health Care

Merchant must:

- Request Authorization for the amount due
- Submit a Transaction Receipt into Interchange within 90 calendar days of the service date

32. Electronic Commerce Requirements.

32.1. Verified by Visa Mark. Merchant must not use the Verified by Visa Mark unless Merchant is a 3-D Secure participant.

32.2. No Convenience Fee. If Merchant conducts its business exclusively in a non face-to-face manner, Merchant may not impose a Convenience Fee.

32.3. Chip-Initiated Transactions. Merchant must send Chip-initiated Electronic Commerce Transactions Online for Authorization.

32.4. Visa Card Expiration Date. Merchant must attempt to obtain the Visa Card expiration date and forward it as part of the Authorization Request for Non-Secure and Non-Authenticated Security Transactions.

32.5. Installment Billing Authorization. Merchant must obtain Authorization for each Installment Billing Transaction.

32.6. Authorization for Goods To Be Shipped. For goods to be shipped, Merchant may obtain Authorization on any day up to 7 calendar days prior to the Transaction Date.

- a. This Authorization is valid if the Transaction amount is within 15 percent of the authorized amount, provided that the additional amount represents shipping costs.
- b. This provision does not apply if the last Authorization obtained was a Partial Authorization.
- c. The shipment date is considered to be the Transaction Date.

32.7. Aggregated Transactions. If Merchant aggregates Transactions, Merchant must do all of the following:

- a. Obtain an Authorization of no more than \$15 at the start of each aggregation session;
- b. Complete the aggregation session within 3 calendar days;
- c. Aggregate Transactions from a single Merchant Outlet in each aggregation session;
- d. Support Partial Authorization;
- e. Submit a Sales Draft for the actual purchase amount;
- f. At the check-out screen, inform the Cardholder of all of the following:
 - i. That Transactions are aggregated
 - ii. The terms of aggregation, including the maximum number of calendar days, aggregated Transaction value, and that the Issuer may hold available funds up to \$15 for 3 calendar days; and
 - iii. How details of Aggregated Transactions can be obtained;
- g. Provide a Transaction Receipt, via e-mail, that captures the details of individual purchases during the aggregation session as follows:

- i. Goods or services purchased;
 - ii. Amount and date of each individual purchase;
 - iii. Total Transaction Amount charged;
 - iv. Transaction Date (for Aggregated Transactions, the Transaction Date is the date the Merchant submits the Sales Draft to its Acquirer); and
- h. If requested, provide Cardholder purchase history for 120 calendar days after Purchase.

32.8. Refund Policy. Merchant's Electronic Commerce Merchant Web Site must communicate Merchant's refund policy to the Cardholder during the order process and require the Cardholder to select a "click to accept" or other affirmative button to acknowledge the policy. In addition, the terms and conditions of the purchase must be displayed:

- a. On the same screen view as the checkout screen used to present the total purchase amount; or
- b. Within the sequence of Web pages the Cardholder accesses during the checkout Process.

32.9. Indicator Values. An Electronic Commerce Transaction must be identified in both the Authorization Request and Clearing Record with the appropriate Electronic Commerce Transaction indicator values, as specified in the following Visa USA Rules Exhibits:

- a. VisaNet Clearing Message Content Standards (Exhibit NN); and
- b. Required Data for Authorization Requests and Responses (Exhibit OO).

32.10. Authentication Request. Merchant must not submit an Authorization Request for an Electronic Commerce Transaction that failed a 3-D Secure Authentication Request.

32.11. Authentication Data Transmission. In an Authorization Request, Merchant must not transmit Authentication Data specific to one Transaction with another Transaction, except in the following cases:

- a. Two Transactions are related due to delayed delivery; or b. All items of an order cannot be shipped at the same time.

32.12. Original Authentication Data. The original Authentication Data may be used if a subsequent Authorization Request is initiated as a result of a delayed delivery or split shipment, as specified in subparagraph 11 above. The original Authentication Data is valid for up to 90 calendar days from the date it was first received.

32.13. Electronic Commerce Indicator Values. If a recurring transaction Order Form is provided to the Merchant in an electronic format, the initial Transaction must be processed with the appropriate Electronic Commerce Transaction indicator values.

32.14. Recurring Transactions Processing. Merchant must process Subsequent Recurring Transactions as Recurring Transactions.

32.15. Merchant Country Data. Data indicating a Merchant Outlet's country must be transmitted in the Clearing Record of an Electronic Commerce Transaction, as specified in VisaNet Clearing Message Content Standards (Exhibit NN of the Visa USA Rules). **32.16. Required Information of Merchant Website.**

Merchant's Web Site must contain all of the following information:

- a. Complete description of the goods or services offered;
- b. Returned merchandise and refund policy;
- c. Customer service contact, including Electronic Mail Address and /or telephone number;
- d. Transaction currency (e.g., U.S. dollars, Canadian dollars);
- e. Export or legal restrictions (if known);
- f. Delivery policy;
- g. The address of Merchant Outlet's Permanent Establishment, including Merchant's Outlet country:
 - i. On the same screen view as the checkout screen used to present the total purchase amount; or
 - ii. Within the sequence of Web pages the Cardholder accesses during the checkout process;
- h. Merchant's consumer data privacy policy;
- i. The security method used by Merchant for the transmission of payment data.

32.17. Point of Payment Display Requirements.

- a. Merchant's Web Site also must display at the point of payment choice, either the:
 - i. Visa Flag Symbol or Visa Brand Mark in full color, if it accepts all Visa Cards for payment; or

- ii. Visa-approved signage representing the Limited Acceptance category it has selected.
- b. If Merchant that accepts all Visa Cards may use the Visa Brand Name to indicate acceptance of Visa-branded payment products only when a visual representation of an acceptance mark is not possible at the Merchant Web Site.
- c. The Visa Mark used must not be smaller than any other acceptance mark displayed by Merchant.
- d. A 3-D Secure-capable Electronic Commerce Merchant that displays the Verified by Visa Mark must not use the Mark:
 - i. In a way that implies endorsement of any other product or service; or
 - ii. As an Acceptance Mark in any application.

32.18. Merchant Information on Receipts. In addition to the requirements specified in Electronic and Manual Transaction Receipts (Visa USA Rules Exhibit S), a Transaction Receipt completed for an Electronic Commerce Transaction must include:

- a. Merchant name most recognizable to the Cardholder, such as:
 - i. Merchant "doing business as" name (DBA);
 - ii. Merchant "universal resource locator" (URL); or
 - iii. Merchant name used in the VisaNet Clearing Record;
- b. Customer service contact, including telephone number. If Merchant delivers goods or services internationally, both local and internationally accessible telephone numbers must be included.
- c. Terms and conditions of sale, if restricted;
- d. Exact date free trial period ends, if offered; and
- e. Cancellation policies.

32.19. Completed Copy of Transaction Receipt. Merchant must provide a completed copy of the Transaction Receipt to the Cardholder in either of the following formats:

- a. Electronic (e.g., e-mail or fax); or
- b. Paper (e.g., hand-written or terminal-generated).

32.20. No Transmission of Account Number. Merchant must not transmit the Account Number to the Cardholder.

32.21. Installment Billing Option. Merchant may offer Cardholders an Installment Billing Transaction option under the following conditions:

- a. If it offers an Installment Billing Transaction option, Merchant must:
 - i. Disclose, in writing, the terms, including but not limited to, whether the installment terms are limited to certain goods that a Cardholder may purchase. The written disclosure must also include the shipping and handling charges and any applicable tax.
 - ii. Inform a Cardholder not billed in the Transaction Currency of Merchant that each Installment Billing Transaction amount may vary due to Currency Conversion Rate fluctuations.
 - iii. Ensure that the sum of the Installment Billing Transactions does not include any finance charge or exceed the total price of the goods.
 - iv. Authorize all Transactions.
- b. The Merchant must not add finance charges to an Installment Billing Transaction.
- c. Merchant must not deposit the first Installment Billing Transaction with Bank until the shipment date of the goods. Merchant must deposit subsequent Installment Billing Transaction Receipts at either of the following intervals:
 - i. 30 calendar days or more; or
 - ii. Monthly anniversary of the shipment date (same day of each month)

32.22. Recurring Transactions. For Electronic Commerce Transactions, Merchant must:

- a. Include the frequency and duration of the Recurring Transaction, as agreed to by the Cardholder, on the Transaction Receipt; and
- b. Provide a simple and easily accessible online cancellation procedure, if the Cardholder request for goods or services was initially accepted online.

32.23. Secure Transaction Method. Merchant must offer Cardholders a secure Transaction method, such as Secure Sockets Layer (SSL) or 3-vPW1505

D Secure.

33. General Provisions.

33.1. Choice of Law. Our Agreement shall be governed by and construed in accordance with the laws of the State of California (without regard to its choice of law provisions).

33.2. Venue. The exclusive venue for any actions or claims arising under or related to this Agreement shall be located in Orange County, California.

33.3. Arbitration. In accordance with your Merchant Processing Application, any and all disputes that relate to or arise out of this Agreement shall be submitted to binding arbitration with JAMS or ADR, in Orange County. However, as a condition precedent to arbitration, the parties must first mediate their dispute at the chosen arbitration house, i.e. JAMS or ADR.

33.4. Force Majeure. No party shall be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent such default or delay is caused, directly or indirectly, by (i) fire, flood, earthquake, elements of nature or other acts of God; (ii) any terrorist attacks or outbreak or escalation of hostilities, war, riots or civil disorders in any country; (iii) any act or omission of the other party or any government authority; (iv) any labor disputes (whether or not employees' demands are reasonable or within the party's power to satisfy); or (v) the nonperformance by a third party for any similar cause beyond the reasonable control of such party, including without limitation, failures or fluctuations in telecommunications or other equipment. In any such event, the non-performing party shall be excused from any further performance and observance of the obligations so affected only for as long as such circumstances prevail and such party continues to use commercially reasonable efforts to recommence performance or observance as soon as practicable. Notwithstanding anything to the contrary in this paragraph, your failure to receive payment or funds from a third party shall not excuse the performance of your obligations to Payment World under this Agreement.

33.5. Compliance with Laws. In performing its obligations under this Agreement, each party agrees to comply with all laws and regulations applicable to it. You further agree to cooperate and provide information requested by Servicers, as Servicers determine necessary, to facilitate Servicers compliance with any applicable law including without limitation the rules and regulations promulgated by the Office of Foreign Assets Control of the Payment World Department of the Treasury.

33.6. Notices. Except as otherwise specifically provided, all notices and other communications required or permitted hereunder (other than those involving normal operational matters relating to the processing of Card transactions) shall be in writing, shall be sent by mail, courier or facsimile (facsimile notices shall be confirmed in writing by courier), if to You at your address appearing in the Application and if to Payment World at our address appearing on the Application, with a copy to Attention:

Jeffrey Alpert, Attorney at Law
Law Offices of Jeffrey Alpert
16133 Ventura Boulevard, Suite 1180
Encino, CA 91436

and shall be deemed to have been given (i) if sent by mail or courier, when mailed or delivered, and (ii) if sent by facsimile machine, when the courier confirmation copy is actually received. Notice given in any other manner shall be effective when actually received. Notices sent to the Merchant's last known address, as indicated in our records, shall constitute effective notice to the Merchant under this Agreement.

33.7. Request for Information. If Your application for business credit is denied You may obtain a written statement of the specific reasons for denial. To obtain the statement, please contact Credit Initiation, 18300 Von Karman Ave., Suite 850, Irvine, CA 92612, 1-800-662-8448 within sixty (60) days from the date You are notified of our decision. We will send You a written statement of reasons for the denial within thirty (30) days of receiving your request.

33.8. Binding Effect. The Agreement shall be binding upon successors and assigns and shall inure to the benefit of the parties and their respective permitted successors and assigns. No assignee for the benefit of creditors, custodian, receiver, trustee in bankruptcy, debtor in possession, or other person charged with taking custody of a party's assets or business, shall have any right to continue, assume or assign this Agreement.

33.9. Headings. The headings contained in this Agreement are for convenience of reference only and shall not in any way affect the

meaning or construction of any provision of this Agreement.

33.10. Severability. The parties intend every provision of this Agreement to be severable. If any part of this Agreement is not enforceable, the remaining provisions shall remain valid and enforceable.

33.11. Waiver. A party's waiver of a breach of any term or condition of the Agreement shall not be deemed a waiver of any subsequent breach of the same or another term or condition.

33.12. Entire Agreement. The Agreement constitutes the entire Agreement between the parties with respect to the subject matter thereof, and supersedes any previous agreements and understandings.

33.13. Amendment. We may modify any provision of this Agreement by providing written notice to you. You may choose not to accept the requirements of any such change by terminating the Agreement within twenty (20) days of receiving notice. If You choose to do so, notify Payment World that You are terminating for this reason so that we may waive any early termination fee that might otherwise apply. For purposes of this section, an electronic or "click-wrap" notice intended to modify or amend this Agreement and which You check "I Accept" or "I Agree" or otherwise accept through an electronic process, shall constitute in writing as required herein.

33.14. No Third Party Beneficiaries. Nothing in this Agreement is intended to confer upon any person or entity other than the parties any rights or remedies, and the parties do not intend for any third parties to be third-party beneficiaries of this Agreement.

33.15. Association Rules. The parties acknowledge that the Visa, MasterCard and Discover Network Association Rules give Visa, MasterCard and Discover Network certain rights to require termination or modification of this Agreement with respect to transactions involving Visa, MasterCard and Discover Network Cards and the Visa, MasterCard and Discover Network Card systems and to investigate You. The parties also acknowledge that issuers of other Cards, for which we perform services on your behalf, may have similar rights under their applicable Association Rules with respect to this Agreement's applicability to transactions involving such other Cards.

33.16. Prohibited Use of Intellectual Property. Client may not use our logo, name, trademark, or service mark in any manner, including without limitation, in any advertisements, displays, or press releases, without our prior written consent.